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I. Acronyms

AED	Academy for Educational Development
AFR/SD	Africa Bureau/Office of Sustainable Development
ALO	Association Liaison Office for University Cooperation in Development
APIN	AIDS Prevention Initiative Nigeria
BB4P	Basketball for Peace
BCC	Behavior Change Communication
BMPI	Budget Monitoring and Price Intelligence Unit
BPE	Bureau of Public Enterprise
CAA	Children Affected by AIDS
CBO	Community-Based Organization
CDC	Centers for Disease Control and Prevention
CET	Common External Tariff
CIDA	Canadian International Development Agency
COCIN	Church of Christ in Nigeria
CRESNET	Conflict Resolution Network
CRSP	Collaborative Research Support Program
CS	Civil Society
CSO	Civil Society Organization
CSP	County Strategic Plan
DA	Development Assistance
DANIDA	Danish International Development Agency
DCHA	Democracy, Conflict, and Humanitarian Assistance
DfID	Department for International Development
DG	Democracy and Governance
DMO	Debt Management Office
DOTS	Directly Observable Treatments
ECOMIG	ECOWAS Monitoring Group
ECOWAS	Economic Community of West African States
EGAT	Economic Growth, Agriculture and Trade Pillar Bureau
EMCAP	Economic Management Capacity Building Program
EPCC	Economic Policy Coordinating Committee
ESF	Economic Support Fund
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FBOs	Faith-Based Organizations
FCT	Federal Capital Territory
FGC	Female Genital Cutting
FMOE	Federal Ministry of Education
FMOH	Federal Ministry of Health
FY	Fiscal Year
GDA	Global Development Alliance
GDP	Gross Domestic Product
GON	Government of Nigeria
GTN	Global Technology Network
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IAs	Interagency Agreements
ICPC	Independent Corrupt Practices and Other Related Offences Commission
IEHA	Presidential Initiative to End Hunger in Africa
IFESH	International Foundation for Education and Self Help
IITA	International Institute of Tropical Agriculture
ILRI	International Livestock Research Institute
INEC	Independent National Electoral Commission
IPCR	Institute for Peace and Conflict Resolution



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IPRSP	Interim Poverty Reduction Strategy Paper
IR	Intermediate Result
ITN	Insecticide-Treated Mosquito Net
JICA	Japan International Cooperation Agency
MARPs	Most at Risk Populations
MICS	Multiple Indicator Cluster Survey
MLA	Measurement of Learning Achievement
MPP	Mission Performance Plan
MSF	Medecins sans Frontieres (Doctors without Borders)
MTCT	Mother to Child Transmission
NA	National Assembly
NACA	National Action Committee on AIDS
NAP	National Action Plan
NAPEP	National Poverty Eradication Program
NCC	Nigerian Communications Commission
NCWS	National Council of Women's Societies
NDHS	Nigeria Demographic and Health Survey
NEEDS	National Economic Empowerment and Development Strategy
NEP	New Entry Professional
NEPA	National Electric Power Authority
NEPAD	New Partnership for Africa's Development
NGO	Non Governmental Organization
NIDs	National Immunization Days
NLC	Nigerian Labor Congress
NORAD	Norwegian Aid
NPC	National Planning Commission
NPI	National Program on Immunization
OE	Operating Expense
OFDA	Office of Foreign Disaster Assistance
OI	Opportunistic Infection
OVC	Orphans and Vulnerable Children
OYB	Operating Year Budget
PABA	People Affected By AIDS
PEI	Polio Eradication Initiative
PLWHA	People Living With HIV and AIDS
PMTCT	Prevention of Mother to Child Transmission
PPDs	Pre-Packaged Drugs
PRSP	Poverty Reduction Strategy Paper
PTAs	Parent-Teacher Associations
PVOs	Private Voluntary Organizations
RFA	Request for Application
SIEC	State Independent Electoral Commission
SO	Strategic Objective
SOEs	State Owned Enterprises
SPDC	Shell Petroleum Development Corporation
SpO	Special Objective
STCP	Sustainable Tree Crops Program
STI	Sexually Transmitted Infections
UBE	Universal Basic Education
UNCFSP	United Negro College Fund Special Programs
UNDP	United Nations Development program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USDH	U.S. Direct Hire
VCT	Voluntary Counseling and Testing



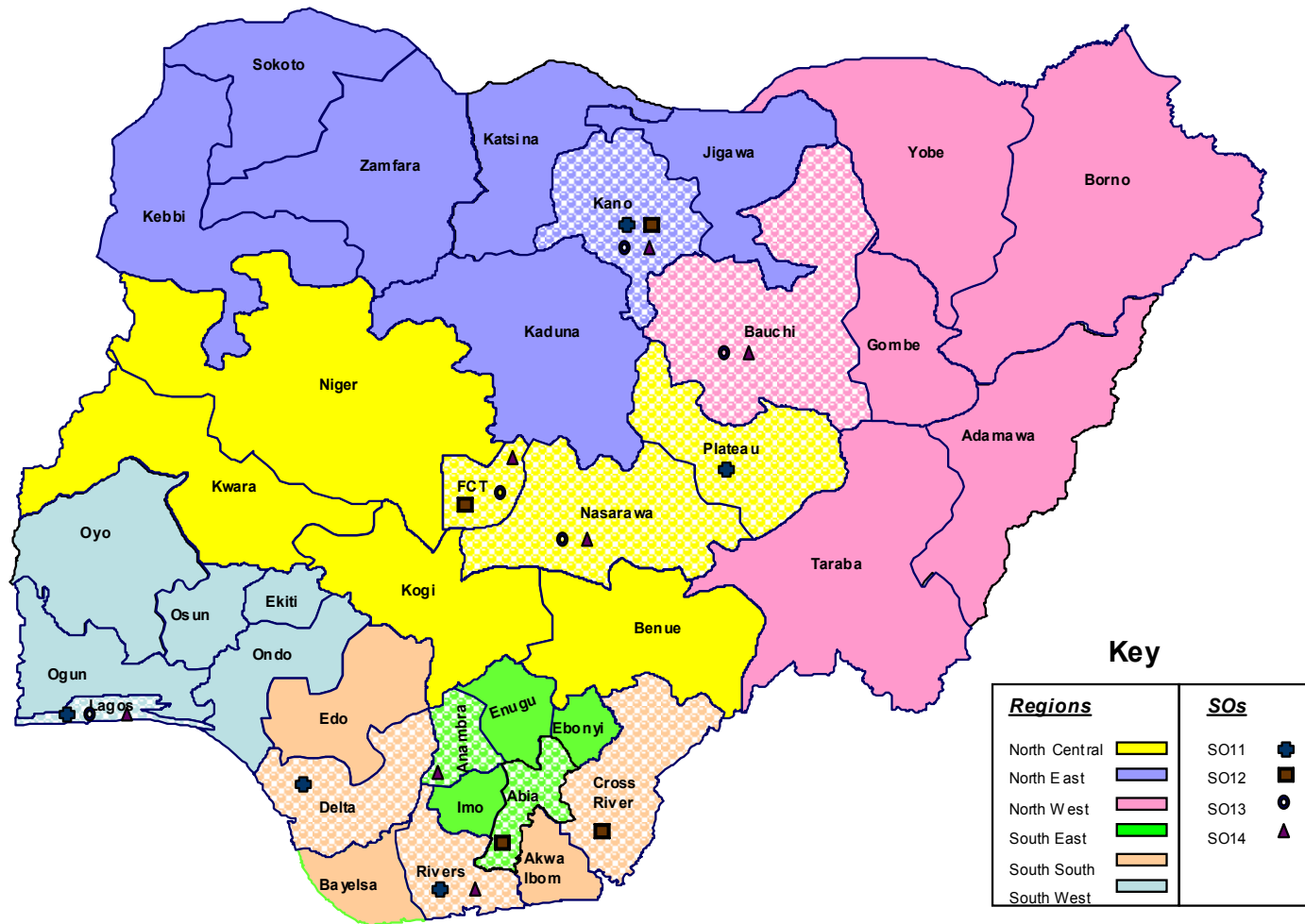
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VPDs	Vaccine-Preventable Diseases
WARP	West Africa Regional Program
WB	World Bank
WHO	World Health Organization



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Figure 1: Map of Nigeria





II. Executive Summary

Introduction

This document lays out USAID/Nigeria's vision for its support to Nigeria's political, social and economic development for the years 2004 to 2009. The Country Strategic Plan (CSP) took a year to develop and engaged the participation of USAID/Nigeria staff, partners and stakeholders in Nigeria, in the West African region, and in USAID/Washington. Nigeria's development needs are enormous and the CSP is grounded in USAID's comparative advantage and areas of engagement that provide the best opportunities for maximum results.

Overall Assistance Environment

Nigeria successfully concluded a second round of democratic elections in 2003, ushering in the first civilian to civilian electoral transition in its 43 years of independence. The country is now in a position to address the damage and neglect inflicted by three decades of military rule that at best was indifferent to the needs of the people and at worst flagrantly violated their human rights. Nigeria's size, with approximately 135 million people; complexity, with over 300 indigenous ethnic groups; and large revenue generations from petroleum exports make it significantly different from other developing nations on the continent, more like a region than a single country. Nigeria is dominant in West African affairs and a leader on the continent not only because of its size, but also because of its role in emerging organizations such as ECOWAS and NEPAD that frame a new vision for Africa. In keeping with key tenets of NEPAD, the new administration has renewed its commitments to fighting corruption, supporting service delivery, and revitalizing the economy. Civil society is beginning to emerge from the shadow of military suppression and engage with government to frame the policy agenda. At no time in independent Nigeria's history has the environment for leveraging significant change been more positive.

Development Trends

The years of military rule have had a largely negative impact on development indicators in Nigeria. Nigeria ranks 152 out of 175 countries on the 2002 UNDP Human Development Index and has not improved its standing over the past

15 years. The economy is stagnant, growing in 2002 at a rate of just 3.3 percent, less than half what is required to reduce poverty and only slightly higher than the annual population growth rate of 2.8 percent. Per capita income is just \$300 per year, and 70 percent of Nigerians live in poverty on less than \$1 per day. At least 15 percent of Nigerian children die before reaching their fifth birthday, victims of largely preventable illness such as malaria or diarrhea. Only slightly over half of school-age children attend school regularly and many drop out before completing primary school, contributing to low adult literacy rates of 58 percent for men and 41 percent for women. Nigerian women marry young and have an average of six children, contributing both to a population growth rate that will double the population to 270 million in less than 25 years, and also to high maternal morbidity and mortality that makes Nigerian women up to 100 times more like to die of pregnancy-related causes than women in Western countries. Institutions of governance such as the National Assembly remain weak and uncertain of their roles. The recent national elections were flawed by poor administration and questionable practices. Patronage remains the customary way of conducting political business and civil society remains largely excluded from broad participation in policy dialogue and setting the national agenda. Women and minorities are particularly vulnerable to exclusion and women constitute only six percent of elected representatives at the national level. Social conflict triggered by resource competition, religious and ethnic differences, and/or the economic situation, has claimed thousands of lives over the past four years. These are all serious challenges to sustainable development and to the well-being of Nigeria's people. The new government appears prepared to take these challenges seriously and to institute reforms that will make a difference in the lives of its citizens.

Program Rationale

The democratic government came into office in 1999 on a platform that promised macroeconomic policy reform, poverty alleviation, improved service delivery, universal basic education, accountable government and reduced corruption. But the legacy of military rule was not so readily overcome, and most of these promises have not yet been realized. Nonetheless, important first steps have been taken on a number of fronts. Institutions to



attack corruption been established and have survived the efforts of the legislature to disempower them; the government is gradually developing a coherent poverty reduction strategy, with civil society engagement; sound policies on reproductive health and nutrition have been put into place; the President has recognized the massive threat of HIV/AIDS and thrown his political weight behind the national program; high-profile public sector institutions are soundly managed and have zero tolerance for corruption; civil society is dynamic, enjoys an increasingly open political and social environment, and supports democracy. U. S. engagement with Nigeria is also crucial because of the pre-eminence of the country in the region, as well as its economic importance to the United States as a supplier of 8-10 percent of American crude petroleum imports, a proportion that is growing. The reelection of President Obasanjo gives him the opportunity to build on both his past accomplishments and the positive spirit in the country, and move his reform agenda more aggressively. It also gives the international community a renewed opportunity to support the government and the people of Nigeria, to increase the intensity and focus of dialogue with Nigeria, and to develop strategic interventions that will move Nigeria to realize its potential and allow its people to prosper.

Stakeholders

USAID/Nigeria's planning process for the 2004-2009 Country Strategic Plan is distinguished by the comprehensive stakeholder consultation process that informed strategy development. Stakeholder dialogue was initiated at the concept paper stage. The consultations took place at several levels, and at different points along the continuum of strategy development, and invited the input of a rich diversity of implementing partners, donors, GON, civil society, private sector interests, and USG colleagues. As the strategy evolved, it was repeatedly discussed with and vetted by these groups. Well over one thousand individuals, representing more than 400 organizations, participated, and endorsed USAID/Nigeria's program goal: ***USAID supports Nigeria in achieving a more transparent and participatory democracy with a healthier and better-educated population in a growing and diversified economy.*** The final CSP reflects this extensive dialogue and ground-truthing.

SO11: Strengthened Foundations for Democratic Governance

Despite progress over the past four years, many roadblocks to strengthened democracy in Nigeria still remain. Political elites are entrenched, excluding most citizens, particularly women and the poor, from meaningful political participation. The scale and prevalence of conflict, triggered by communal, ethnic, religious or resource issues, poses a major threat to stability in Nigeria. Endemic corruption is a key governance issue that has directly touched the daily lives of the majority of Nigerians. The structure of government and the concentration of power at the center and in the executive have reduced incentives for reform. Civil society has been freed of many of the constraints it faced under military rule, but still lacks both the capacity and the resources it needs to truly engage with government and advocate for change. Government institutions, for their part, have by and large not established partnerships with citizens or private sector actors, and themselves lack capacity to carry out their own mandates.

To address these roadblocks, SO11 will build the capacity of civil society and legislative bodies, support efforts to respond to and manage conflict, and address the need for professionalism and transparency in the next elections. Civil society is central to making government more responsive and accountable through advocacy and oversight. The National Assembly serves to balance power within government and its directly-elected representatives of the people are a lodestar for civil society engagement. Frequent conflict perpetuates poverty, discourages investment, and compromises overall social and economic development. Properly managed elections whose results are accepted and agreed to by the people are the cornerstone of democracy. Progress in the achievement of the SO will be measured by increased levels of public confidence in democracy, and civil society policy input.

SO12: Improved Livelihoods in Selected Areas

Despite rapid urbanization, more than half of Nigerians still live in rural areas and farm for a living. Agriculture provides a precarious livelihood, marked by declining productivity,



environmental degradation, limited use of yield-enhancing inputs, and poor market linkages. Farmers and rural entrepreneurs are not served by financial institutions and have little access to financial services such as savings and credit that would help their enterprises to grow and diversify. Nigerian agricultural commodities such as cocoa and rubber are no longer competitive in regional or international markets. Post-harvest losses are high, appropriate processing and value adding technologies are not readily available, a commercial orientation is lacking and market information is unreliable. Production gains have been made by expanding the cultivated area, rather than through increased efficiency, putting the remnants of the natural resource base at risk. Private sector growth is constrained by a poor enabling environment, the erosion of Nigeria's competitiveness, poverty, and marginal growth in Nigerian markets.

SO12 will increase the productivity of selected commodities, and the number of value-added commodities and products, build a more commercial and competitive orientation among farmers and small entrepreneurs, and improve the policy environment. Low productivity, a weak business culture, and lack of market opportunities are binding constraints that the SO will address. SO12 will also support the goals and objectives of the presidential Initiative to End Hunger in Africa (IEHA), and the Agency's agriculture and trade development strategies. Success in achieving the SO will be measured by increases in volume and value of selected commodities and products and the revenues and income that they generate.

SO13: Increased Use of Social Sector Services

Nigeria has been ineffective in providing quality social sector services to the people. The results are high child and maternal morbidity and mortality, low levels of adult literacy and poor academic performance, and high fertility that translates into rapid and unsustainable population growth. Availability and use of affordable child survival and maternal health measures is appallingly low. At least 15 percent of Nigerian children will die before their fifth birthday, while a Nigerian woman dies every three minutes from causes related to pregnancy and childbirth. Adult literacy actually declined during the decade of the 1990s, and fewer than

60 percent of children are in school. Fertility is high, birth intervals are short, and contraceptive prevalence is low. Health and education indicators are much worse in northern Nigeria than in the rest of the country, demonstrating regional imbalance and inequity. The poor quality of education, coupled with lack of access, is encapsulating successive generations of the poor deeper and deeper into poverty.

Key constraints to the use of social sector services in Nigeria include their poor quality and lack of accessibility. In some areas of the country, there is constricted demand, and there is also a strong need for an improved policy environment, given the extremely low resource levels allocated to health and education in the Federal budget. The powerful linkages between health and education indicators argue for the strategic integration of programs in reproductive health and family planning, child survival and basic education where feasible and practical. This SO will use performance measures such as school persistence, immunization rates, and contraceptive prevalence. Targets are provisional, pending receipt of data from the 2003 NDHS.

SO14: Reduced Impact of HIV/AIDS in Selected States

HIV/AIDS is a growing menace in Nigeria. The country now accounts for nearly 10 percent of the HIV/AIDS burden in the world, with 4 million of its citizens seropositive. Without urgent action this number may more than double by 2010. One million orphans have already been created by the disease and this may reach 3 million by the end of the decade. A significant national response was slow to develop, and fear, stigma, and discrimination against PLWHA are high. Efforts to develop and disseminate behavior change messages are increasing and condoms are widely available but other basic prevention, treatment, care and support capacity and infrastructure is weak, with service delivery being largely in the hands of the private and NGO sectors.

Nigeria is a large country with a serious HIV/AIDS problem and available USAID resources are insufficient to support a nationwide program. SO14 will therefore focus its program in six key states plus the Federal Capital Territory (FCT) of Abuja. These states have 25 percent of Nigeria's population and an



equivalent proportion of the HIV/AIDS burden. The SO will also focus on “most at risk populations” (MARPs), such as prostitutes, truck drivers, uniformed personnel, and people living with HIV/AIDS (PLWHA). PLWHA and orphans and vulnerable children (OVC) will be targeted for treatment, care and support interventions. The SO will seek to increase demand for and access to quality prevention, treatment, care and support services. Collaboration with partners in the Nigerian public and private sectors and in the donor community will be crucial to improving the enabling environment. The SO will report on seroprevalence among 15 – 24 year olds, prevention of mother to child transmission, and care and support to PLWHA and OVC, as well as core behavior change indicators.

Geographic Focus

USAID/Nigeria is committed to working in all six geopolitical zones of Nigeria, with the proviso that not all programs can be implemented in all zones. The sheer immensity of the country and the reduced resource levels for the CSP have necessitated geographic targeting if results and impact are to be achieved. The Mission accordingly developed a set of criteria for the prioritization of target states.

Box 1: Criteria for Selection of Target States

Criteria for Selection of Target States	
•	Critical need
•	Build on transition program
•	Size of population
•	Potential to achieve results and impact
•	USAID comparative advantage
•	Opportunity for scaling up and sustainability
•	Public-private partnerships
•	Other donor presence
•	Synergy with other USAID/USG programs

Application of these criteria identified the following target states:

Table 1: Target States

State	Zone	SO11	SO12	SO13	SO14
Abia	SE		x		
Anambra	SE				x
Bauchi	NE			x	x
Cr. River	SS		x		
Delta	SS	x			
FCT Abuja	NC		x	x	x
Kano	NW	x	x	x	x
Lagos	SW	x		x	x
Nasarawa	NC			x	x
Plateau	NC	x			
Rivers	SS	x			x

Cross Cutting and Converging Themes:

Food Security: Due to poverty, a poor policy environment, low productivity, conflict, and a host of other factors, Nigeria has been transformed into a low-income, food deficit country. Much of the population is chronically malnourished and mired in poverty. SO11 will address food insecurity through its conflict management, government accountability, and civil society empowerment activities. SO12 will work at two levels, on the farm to increase productivity of key commodities, and at the center to create a more favorable policy environment. SO13 is continuing its nutrition and food consumption work and will also promote behaviors to mitigate the impact of food insecurity on the most vulnerable. Nutrition will also play a role in SO14, particularly in its programs for PLWHA and OVC, as will income generating opportunities to boost household income and food supply.

Conflict: Conflict in Nigeria is localized and has multiple causes. Its disruptive effects threaten food security and income generation, lead to the destruction of property and loss of life, impinge upon service delivery, foster the transmission of HIV/AIDS, and have disproportionate negative impact on women and their children. Conflict mitigation is a key intermediate result for SO11. The SO will work with civil society groups, in particular youth, private sector, and multi-ethnic and/or multi-regional associations, in conflict management initiatives. Resource competition is a root cause of conflict in Nigeria, and SO12 will seek to diversify economic opportunities and avail financial services in areas where resource competition drives violence. SOs 13 and 14 may engage at-risk youth through health and education activities, and build wider “tolerance” messages into BCC programs addressing stigma. For all SOs, associations and activities that “bridge” divided groups will be an important vehicle for conflict management.

HIV/AIDS: HIV/AIDS is a multisectoral problem impacting on agriculture, employment, education, and health care delivery. It is exacerbated by conflict and infringes on human rights and dignity, with disproportionate negative effects on women. In order to avert a massive increase in numbers infected, prevention, treatment, care and support interventions must be scaled up and delivered through diverse channels such as workplaces, schools,



communities, the government, the private sector, and faith based organizations. SO11 will work with civil society on advocacy, human rights, and empowerment issues, and also integrate HIV/AIDS messages into its conflict activities. PLWHA and OVC will benefit from the increased agricultural productivity, employment generation and microenterprise development supported by SO12. SO13 will build on its ongoing condom social marketing, STI prevention, and antenatal care programs, and there is potential to mobilize PTAs and communities to address the needs of OVC. SO14 will provide technical leadership and, potentially, resources to these efforts.

Gender: Nigerian women are multiply disadvantaged in comparison with men, constrained in their political and economic roles, their access to productive resources, education, and health care, and their ability to protect themselves against HIV/AIDS. To address these inequities, the Mission's D/G SO has maintained a strong focus on women's political empowerment even prior to the democratic transition and will increasingly engage with NGOs working on gender and conflict issues in the civil society program. The key role of women in agriculture in Nigeria, especially in the south, mandates SO12 to assist women to benefit from productivity gains and improved technologies, and also to ease their access to credit. SO13 will work to improve girls' persistence and performance in primary school, and to reduce maternal and child morbidity and mortality by addressing the needs and concerns of both men and women with gender-appropriate methods and messages. SO14's behavior-change communication (BCC) campaigns will recognize the differing knowledge levels, informational needs, and means of access to information of men and women, and design focused programs responsive to those differences.

Environment: Unsustainable use of natural resources, unplanned urban development, and petroleum industry operations threaten Nigeria's fragile environment, carrying grave implications for agricultural productivity, food security and nutrition, and the availability of potable water and wood fuel. Rapid unregulated urbanization poses enormous problems of sanitation and waste disposal, and is flooding the cities with unemployed ripe for conflict. The oil companies have damaged the environment generally and

individual livelihoods specifically and contributed to the conflict environment. To address these problems, SO11 will build NGO capacity to dialogue with government on environmental issues; SO12 will promote sustainable agriculture and the use of energy-conserving technologies, and generate alternative economic opportunities in areas adjacent to natural reserves; SO13 will develop primary school curriculum on environmental issues and promote rational use of water resources and improved sanitation; while appropriate disposal of used condoms and biomedical waste is an environmental issue that SO14 will address.

Transparency: Corruption is a key governance issue in Nigeria that has direct impact on the daily lives of virtually all citizens. Corruption also directly affects activities implemented under each of the SOs because it increases the costs of doing business, discourages direct support to the GON, and slows the pace of implementation. SO11 and SO12 are collaborating in the execution of an anti-corruption program that builds the capacity of civil society organizations to dialogue with and lobby the National Assembly to pass freedom of information and other landmark legislation. SOs 13 and 14 will also support these initiatives and will additionally work at community level to generate increased demand for accountable government functions.

Public/Private Partnerships: Partnerships are an important way of doing business in Nigeria for several reasons. Nigeria does have significant resources of its own, which can do much to improve the lives of its citizens. Faith-based organizations are numerous, powerful, and reach large numbers of people. The private sector also has resources for development. USAID already participates in the Nigerian Presidential Cassava Initiative, which has brought together donors, GON, and oil companies to stem a potential epidemic of cassava mosaic disease, to increase cassava production and productivity, and to identify value-added products in the food and light industrial sectors to increase household income. Partnerships in the Niger Delta to combat HIV/AIDS, mitigate conflict, provide microfinance services, and contribute to environmental sustainability are under development.



Performance Management

USAID/Nigeria is moving from a Transition Plan that required very rapid scaling-up of the program, to a full five-year sustainable development strategy. The CSP is marked by a high degree of integration within and between Strategic Objectives, and a strong focus on managing for results and attaining broad-based impact. Program integration will allow us to build effectively on existing synergies and collaborative activities between sectors to a much greater extent than was possible during the transition phase. The Mission anticipates being able to develop new, innovative cross-sectoral programs that will contribute to the achievement of results under more than one SO. Such an integrated program will require new approaches to and significant investments in performance monitoring and management.

Support to all of the SOs in performance management responsibilities will be provided through a Mission-level umbrella monitoring and evaluation contract, a performance monitoring specialist in the program office to provide technical assistance to all of the teams, and broad-based performance management training. Each SO will develop the performance management capabilities of selected staff, require performance management plans from each implementing partner directly linked to SO reporting requirements, and design baseline surveys and special assessments to fill particular data needs.

Program Management

Under the Transition Strategy USAID/Nigeria grew virtually overnight from a \$7 million annual program to almost \$100 million and the workforce rose from 10 to nearly 90. New directions in program management during the CSP period will include streamlining and rationalization of the portfolio and the procurement process to reduce the number of instruments to a manageable number; closer coordination with Nigerian, regional, and Washington partners; and comprehensive transition planning and management.

Resource Requirements

USAID/Nigeria has proposed three planning scenarios and developed program budgets based on those scenarios. For the political

stability/ democratic consolidation “Renewal from the Roots” scenario \$414.3 million in combined resources (\$338.3 million in DA/CSH, \$17.5 million in ESF and \$65.6 million in Initiatives) will be needed over five years using the FY 04 Congressional Budget Justification level of \$59 million, and \$420.4 million over five years using the approved parameter level of \$65 million in FY 04. Both of these totals use the FY 05 planning level for out years. The “Crippled Giant” scenario assumes that Nigeria’s transition continues, but there will be political uncertainty. Should this situation develop, the Mission is proposing that the DA/CSH/ESF resources remain the same as in “Renewal,” but given the uncertainties, initiative activities would be curtailed. This scenario assumes that any destabilizing activities are likely to occur after FY 04, therefore, the initiatives for FY 04 are included in this budget. The budget for the five year period totals \$336.3 million, using the CBJ planning level, and \$372.4 million using the parameters level. If “Things Fall Apart” and democratic collapse ensues, the annual resource level would be estimated at \$50 million which would be used to continue activities in all sectors, but with an increase in democracy and governance funds, and reductions in SO 12 and SO 13. HIV/AIDS activities would be maintained at the same level as in the other two scenarios given the status of the epidemic and the critical role that Nigeria plays in the region.



III. Overall Assistance Environment

A. Introduction

Nigeria has been governed by a democratically-elected leadership for just 13 of the 43 years since Independence from Britain. The enormous economic and social potential of sub-Saharan Africa's most populous nation has been stifled by decades of corrupt and brutal military dictatorship, a debilitating civil war, and the failure of successive governments, whether elected or imposed, to deliver basic services to their people. But in April 2003 Nigeria achieved a landmark. For the first time, the country successfully completed a transition from one elected civilian government to another. Although far from flawless, the re-election of President Olusegun Obasanjo to his second and final four year term provides much needed continuity and the prospect of increased stability. Since under the 1999 Constitution he will not be eligible to stand for election again in 2007, the President may be emboldened to more vigorously promote key policy reforms, and push harder to fight corruption.

Nigeria is strategically vital to U. S. interests. It is the fifth-largest supplier of oil to the American market and its share of this market, now at about 8-10 percent, is expected to increase in the future. Nigeria is also our most important trading partner in Africa, and the recipient of over \$7 billion in U. S. foreign investment. With a population of 135 million, Nigeria has a commanding presence in world affairs by virtue of its size alone. Nigeria also has the largest Muslim population in Africa, and the sixth-largest in the world, of between 65 and 70 million. Political isolation and suspension from the Commonwealth, triggered by military dictatorship and human rights abuses, were reversed by the democratic election in 1999 and Nigeria has now begun to assume an increasing leadership role in regional and Pan African organizations. President Obasanjo serves as Chairman of the Heads of State and Government Implementation Committee of the New Partnership for Africa's Development (NEPAD), an African-driven agenda for sustainable development and public-private partnership. NEPAD's goals are to promote accelerated growth and sustainable development, eradicate poverty, and integrate Africa into the world economy. Nigeria is also the major player in the Economic Community of

West African States (ECOWAS), a 15-nation grouping designed to promote economic integration and, increasingly, to foster regional stability. The NEPAD and ECOWAS agendas dovetail with key USG Mission Performance Plan (MPP) goals of growing Nigeria's economy, opening markets, and improving the ability of ECOWAS to monitor and coordinate sub-regional responses to new and ongoing conflicts.

The USG has further strategic interests in Nigeria that are reflected in the MPP, most importantly strengthening democracy, counterterrorism, and fighting narcotics trafficking and other international crimes, including trafficking in persons. Both the Government of Nigeria (GON) and civil society have demonstrated that they are responsive to these strategic issues, which are also high priorities for USAID/Washington, the State Department, and the White House. State and USAID/W have confirmed that Nigeria remains among their top priority countries in Africa. The visit of President George W. Bush to Nigeria in July 2003 reaffirms this commitment.

Nigerians have reciprocally demonstrated their recognition of common interest with, and support for, the U.S. The proportion of Nigerians questioned in a poll conducted by the Pew Global Attitudes Project who have a favorable view of the U.S. was 77 percent in 2002, compared to just 46 percent in 1999. Even in the Niger Delta, where American oil companies are negatively perceived, the favorable rating stands at 62 percent, while in the largely Muslim North-West 68 percent of Nigerians have a favorable view of America. Almost two-thirds of Nigerians believe that U. S. policies work to decrease the gap between rich and poor, and even larger proportions express admiration for American ideas about democracy (86 percent) and ways of doing business (85 percent).¹ With the GON also expressing support for U. S. ideals and economic policies, the environment for a strong alliance at the official level and with Nigerian society at large is highly positive.

B. Wealth and Poverty

When vast petroleum reserves were discovered in the Niger Delta in the 1950s, Nigeria's future prosperity seemed assured. During the oil boom of the early 1970s, annual per capita income tripled to over \$1,000² and the central



government invested its resources in infrastructure and service provision. This honeymoon did not last for long. Subsequent decades of economic mismanagement, macroeconomic instability, political repression and institutionalized corruption undermined social and economic development and fueled dramatic increases in poverty. The estimated \$320 billion³ generated from oil revenues over the past 30 years have not improved the wellbeing of the mass of Nigeria's people.

Poverty in Nigeria was first measured in 1980, when 27.2 percent of the population, or 18 million people, were classified as poor.⁴ This rate surged to 66 percent in a 1996 survey and the total number of poor nearly quadrupled, to 67 million.⁵ Estimates put the poverty rate today at close to 70 percent, or 90 million people. Perhaps 40 percent of these people are the "core" poor, so impoverished that they cannot meet their basic food needs, and indeed the stunting rate for young Nigerian children, a measure of chronic nutritional deprivation and food insecurity, stands at 42 percent.⁶ Although rural poverty is more extensive, urban poverty has also grown at a rapid rate, to 58 percent in 1996.⁷ This is an ominous figure given the size and complexity of many Nigerian cities, their very rapid rate of growth, and the difficulties attending service delivery in such an environment.

Nigeria's wealth distribution is distorted and increasingly inequitable. According to the 1996 survey, the richest ten percent of the population had a 27 percent share of consumption expenditure, against a three percent share for the poorest decile.⁸ In 2001 the gap had increased even further, with the top decile having 31.4 percent of income and the poorest decile just 1.3 percent. Between 1980 and 1996, the consumption expenditure of the poorer half of the population declined by half in real terms. The distribution of poverty is also inequitable on a geographic basis. Regionally the North West geopolitical zone has the largest proportion of its population living in poverty, and the three northern geopolitical zones have 65 percent of the nation's population but account for only 35 percent of GDP.⁹ No part of the country is exempt from poverty, however, and severe poverty is also experienced in the Southern regions. Lack of formal education, large household size, living in a rural area and pursuing an agricultural livelihood are strongly

associated with poverty. Households headed by women are slightly less likely to be poor than those headed by men, but female-headed units constitute just 17 percent of Nigerian households.¹⁰ The vast majority of Nigerian women live in male headed households, have significantly less formal education than men and are also more likely to live in rural agricultural settings. Clearly the burden of poverty in Nigeria is more directly felt by women and their children than by men.

The Nigerian government's response to the poverty in which the bulk of its citizens live has been slow to take shape. A National Poverty Eradication Program (NAPEP) was established in 2001, with the goal of eliminating "core" poverty over the next ten years, but up to this time has lacked the resources to support meaningful poverty reduction efforts. The new administration has made commitments to increasing expenditures in the health and education sectors and to the needs-based allocation of funds to activities under this program. Still, the economy would have to grow at an annual rate of 7 to 8 percent to achieve this poverty reduction goal, but between 1989 and 1999 grew at only 2.7 percent per year, at approximately the same rate as population growth.¹¹

Although the Interim Poverty Reduction Strategy Paper (IPRSP) tabled in late 2002 has yet to be formally reviewed by Cabinet and donors, the President's new economic team has moved forward with a new National Economic Empowerment and Development Strategy (NEEDS). State governments are being encouraged to develop strategies for economic and fiscal discipline, good governance, and reform, and the Federal government proposes to establish monitoring and evaluation mechanisms and introduce performance-based rewards for states that demonstrate such reforms. These steps may nullify some of the criticisms levied against the GON for the lack of transparency and civil society engagement demonstrated in the PRSP process. Nonetheless, although other donors, including the European Union (EU) and Department for International Development (DfID), have adopted poverty reduction as the centerpiece of their strategies for Nigeria, the slow pace at which the GON has shaped its poverty approach argues against a poverty reduction goal for the USAID/Nigeria CSP.



C. The Development Environment

Nigeria is a complex country, in many ways more akin to a region than a nation. Its population of 135 million is double that of the next most populous sub-Saharan African nation; Nigeria alone has 20 percent of the sub-continent's population and 60 percent of the population of the ECOWAS states. The size of the economy is second only to that of South Africa among sub-Saharan countries. More than 300 distinct ethnic groups, with their own languages and traditional values, live in Nigeria. Most Nigerians have adopted either Islam or Christianity, but these world religions coexist and interact with a plethora of indigenous belief systems. Nigeria is still more rural than urban, but the balance is rapidly being altered. In 2001 45 percent of Nigerians lived in towns and cities, and the rate of urban growth, at 5-7 percent per year, is significantly higher than overall population growth.¹² The northernmost of the 36 States that make up the Nigerian Federal Republic border the Sahara desert, while remnants of dense tropical forest receiving upwards of 80 inches of rain each year are still found near the Niger Delta. This diversity, complexity and potential must be understood in order to appreciate the significance of Nigeria in the world order, and the challenges to development that exist in the country.

D. Economic trends

Neither civilian nor military government in Nigeria has been able to diversify the economy away from almost exclusive dependence on crude petroleum exports, which generate \$12 – 18 billion in revenues per year, accounting for at least 95 percent of foreign exchange earnings and over 80 percent of budget resources. The distortions and dependencies created by oil may become even greater in future, when Nigeria begins to exploit its vast natural gas reserves. Given its dominance of the economy, regular fluctuations in international oil prices often have a dramatic impact on the country's economic performance. However, when examined in the framework of Nigeria's domestic economy, oil plays a much less prominent role. The industry contributes only about 13 percent of GDP, one-third the share of agriculture, and it does not provide jobs. Annual revenues from oil provide only \$100-150 per Nigerian per year. Oil is capital rather than labor intensive and generates

less than one percent of the country's employment, directly benefiting no more than five percent of Nigerians.

Budget: The revenues that the GON receives from petroleum exports constitute the core of the Federal budget. However, Nigeria lacks a transparent budgeting and public procurement system. Allocation of resources in the budget is distorted by the huge civil service wage bill. Public sector employment provides an estimated 50 percent of all formal sector jobs in the country, and consumes at least 45 percent of all government expenditure – at minimum 5 billion dollars per year.¹³ According to one estimate, after personnel, overhead, capital investments, interest and debt service are attended to, perhaps ten percent of resources remains for delivering services to the people.¹⁴

Table 2: Sectoral Composition of GDP, 1965 and 2001

Sector	1965	2001
Agriculture	68	43
Oil	8	13
Manufacturing and Construction	5	8
Services	19	36
Total	100	100

Source: Addison, 2002

Debt: Years of corruption and economic mismanagement have left Nigeria with a massive foreign debt (\$28.4 billion in 2002),¹⁵ most of it in arrears. In 2001 the GON's budget provision for debt service, although not all disbursed for the stated purpose, amounted to over 14.5 percent of export earnings, six times the federal government's budgetary provision for education, 17 times that for health, and 25 times that for agriculture.¹⁶ The Federal government also bears the burden of a large stock of domestic debt, estimated to be in excess of \$8 billion, and many if not most of the 36 states are also heavily indebted. Generated by deficit spending, this debt stock has the potential to accelerate inflation. However, on the positive side, the 12 month moving average inflation rate fell throughout 2002 and in April 2003 was down to 10.1 percent.¹⁷

Trade policy: Nigerian trade and tariff policies have also contributed to the poor economic situation in the country. Trade policy is highly protective of local industry, imposing import restrictions and bans and imposing high tariffs particularly on those goods that have the



potential to be locally-produced. The result of protectionism has been the erosion of Nigerian competitiveness in a wide range of agricultural and manufactured products. The government invested heavily in state-owned enterprises (SOEs) in the light and heavy industrial sectors, including textiles, paper, and steel. Cost overruns and corruption bloated the costs of these investments, resulting in the misdirection of budget resources. The Ajaokuta steel mill, for example, cost \$5-6 billion to build and production costs are estimated to be four times the industry average.¹⁸ Only about 40 percent of manufacturing capacity in Nigeria is actually utilized, and the sector does not create jobs.¹⁹ Nigeria has paid dearly, and continues to pay, for these protectionist policies. Although the GON has embarked upon a program of privatization of SOEs and the Bureau of Public Enterprise (BPE) is a highly-professional and capable organization, the pace of privatization has been slow, key transactions have failed to go forward, and protectionism still prevails. Tariffs actually increased in 2002, and the government continues to promote import substitution in the media.

Infrastructure: The deteriorated and/or inadequate infrastructure (roads, public utilities, railway and port operations) is one of the main factors constraining the expansion of the non-oil economy. The Nigeria Electric Power Authority (NEPA) is one of the highest cost producers of electricity in the world, and is regarded as very dishonest by most of its customers.²⁰ NEPA's inability to deliver reliable electricity imposes on business firms the necessity of putting alternative power supplies in place, at significant additional cost. 97 percent of firms with more than 20 employees have their own generators.²¹ Many major road transport routes are potholed and choked with debris from past vehicle accidents. Although this does not deter motorists from driving at excessive rates of speed, it does contribute to delays and high maintenance costs. The country has only four fixed telephone lines per 1,000 population, barely one third of the average for sub-Saharan Africa²², although the recent open and transparent auction of licenses for mobile telecommunications operations is a very positive development.

Investment: Although Nigeria has attracted over \$7 billion in foreign direct investment from the U.S. alone, virtually all of this is in the petroleum

industry. Investment in other sectors is sorely needed to diversify and grow the economy, but has been slow to materialize. It is not difficult to understand why: under existing administrative procedures, laws and regulations, infrastructure constraints and insecurity, Nigerians and non-Nigerians alike have very weak incentives to invest.²³ Under the new administration the GON has now begun to institute key reforms to encourage the investment that will stimulate growth and reduce poverty.

Agriculture: The performance of the Nigerian agricultural sector has steadily deteriorated since Independence. In the 1960s Nigeria was a net exporter of agricultural commodities. Key income earners included cocoa, palm oil, peanuts, rubber and cotton as well as staple food products. The deterioration commenced in the 1970s as a result of the oil boom, unfavorable policies, and outright neglect. Agricultural exports currently account for less than five percent of foreign exchange earnings, and Nigeria now relies heavily on food imports to feed both the growing urban population and the increasingly food insecure farmers themselves. The annual bill for rice imports alone stands at \$750 million, and is projected to increase.²⁴

Nigeria's agricultural sector today is focused on food production for household consumption. A more commercial orientation is deterred by stagnant or declining productivity, huge post-harvest losses, limited market access and lack of competitiveness of Nigerian products. Growth in total agricultural production was 3.5 percent in 2001, only slightly above the rate of population growth.²⁵ The GON Crop Area and Yield Survey indicates that yields of cereals, roots/tubers and pulses increased an average of 3.7, 1.9, and 4.7 percent per year respectively between 1996 and 2001, but there is no obvious explanation for these increases as improved inputs were largely unavailable during the period, and these findings must be interpreted with caution.²⁶ Lack of appropriate technologies and production enhancing inputs such as improved seeds and fertilizers, and erosion of the natural resource base are key contributing causes to poor overall productivity. Rural to urban migration, an aging farming population, and, increasingly, HIV/AIDS have also played a role. The high post harvest losses are also attributable in large measure to the lack of appropriate technologies, including storage, processing, and value-adding technologies. Poor market linkages are partly a



problem of infrastructure, partly a problem of information, and partly a problem of financial services. All of these are lacking in rural areas. Misguided policies and policy vacuums have also played their part, having, for example, driven a 50 percent decline in fertilizer use over the past decade, and mandated an unsustainable public sector monopoly of extension services. Production increases are attributable to expansion of cultivated area rather than intensification, sounding a serious warning note for what remains of the natural resource base. Unsustainable use of natural resources has been identified as one of three major environmental threats to Nigeria, along with unplanned urban development and petroleum industry operations. The implications for agriculture of deforestation, soil erosion, and desertification are dire. Nigeria today has less than 10 percent of the forests that existed a half century ago, and only 2.1 percent of the country's land area is protected as national parks. The desert is expanding south at the rate of half a kilometer per year, rendering formerly agricultural land unproductive.²⁷

The state of the agricultural sector in Nigeria is particularly distressing because almost in spite of itself agriculture remains the backbone of the economy. Although contributing just a tiny share of export revenues, it accounts for about 40 percent of GDP and, critically, over half of employment. Resuscitation of agriculture is imperative if the Nigerian economy is to grow and lift the people out of poverty. Indeed, given more positive macroeconomic and sector policies and budget allocations, Nigeria's agriculture has tremendous potential to spearhead economic growth and reduce poverty because of the favorable climate and soils, large labor pool, diversified crop and livestock systems and huge domestic market.

Overall, the current state of affairs in the Nigerian economy presents significant challenges. But, given improved budget, trade and monetary policies, the economy has shown that it has the capacity to grow and to reduce poverty. For example, during the 1987-91 period of reform, private non-oil output grew at 5.6 percent and the total economy at 5.9 percent per annum, permitting a small dip in the percentage of people living in poverty. However, these limited gains were soon eroded and the reforms were not sustained, contributing to the doubling of poverty levels over the past 10

years. A significant reduction in the proportion of Nigeria's poor would require a growth rate of at least 7 percent over the next 5 years, a major challenge given the current growth rate of 3.3 percent. President Obasanjo's final term in office gives him an unprecedented opportunity to build on key reforms instituted during his first term, and move Nigeria's economy further in the right direction.

E. Political trends

Nigeria began a new democratic transition in May 1999, when the last of a succession of three military dictators who had held power for over ten years organized democratic elections and handed over to the newly-elected civilian administration. Four years later, Nigeria's first-ever democratic succession is poised to move the still-fragile democracy forward, but formidable obstacles remain. The core problems that the nascent democracy confronts include: traditional political elites that remain entrenched and that thrive on patronage and corruption; weak institutions, public and private, that are assailed by vested interests; a fragile national identity that is frequently subordinated to less inclusive identities; continued significant episodes of conflict; the declining economy; and a constitution crafted by the military that does not reflect the popular will and that fails to adequately address contentious issues such as revenue allocations and resource rights.

Democratic Foundations: Nigeria remains unschooled in the practice of democracy. Nonetheless, steps were taken during the first Obasanjo administration to begin the learning process and to overcome some of the enormous legacy of political constraints to democratic development. The signs of this included Supreme Court decisions that signal a growing sense of independence, increased autonomy of the National Assembly and key State legislatures, and growing engagement of civil society in advocacy and oversight. However, all of these democratic institutions remain weak in capacity, resources and organization. Less than one-third of incumbents were returned to the new National Assembly, for example, while the majority of NGOs have only local reach and are much less trusted by the community than indigenous institutions such as age-based and community-based associations.²⁸



Democratic Challenges: Significant challenges remain along virtually all dimensions of governance. Personal interests rather than broad ideological platforms continue to provide the basis for political mobilization, and opportunities for participation are limited by factors such as ethnicity, poverty, sex, and age. While competition has expanded since 1999, with 30 political parties registered and a plethora of CSOs and interest groups, this is countervailed by central control, intimidation, poorly managed elections tainted by fraud, and patronage politics. The legacy of military rule translates into poor maintenance of law and order, corruption, and lack of access to justice. Important steps have been taken to dismantle this legacy, including the creation of commissions of inquiry and the institution of judicial reform, but these need to go further.

Particularly thorny problems that are faced by the new government are the issue of Shari'a law, and social conflict and violence. The Federal government has chosen thus far to take a hands-off approach to the encroachment of Shari'a statutes on the civil liberties of non-Muslims and of women, and despite the fact that its imposition seems to be in contravention of the Constitution. The government has also thus far been ineffective in addressing conflict. The approach employed has been to fight violence with violence and there are few early warning or mediation mechanisms in place.

Conflict: The prevalence of conflict in Nigeria is a matter of the gravest concern requiring a proactive response from both government and civil society. Conflict is localized and has multiple causes. In the past four years over 10,000 Nigerians have lost their lives to communal violence, and many more have been internally displaced and/or lost property and means of earning a livelihood. The national elections in April and May 2003 were attended by bribery, rigging, intimidation and violence. Encouragingly, however, defeated candidates and parties have taken their grievances to the courts rather than to the streets, and the Nigerian public has accepted the election results without resorting to violence.

Democracy in Nigeria is far from consolidated. Efforts in the near term must be focused on laying a foundation of sustainable democratic processes, including a system of checks and balances, accountability of government to the

people, and guarantee of basic individual freedoms. There has already been a noteworthy improvement in the climate for civil liberties in Nigeria since the end of the military dictatorship in 1999, but much remains to be done to ensure the rights of women and minorities. Nigeria has an emergent, active and resilient civil society, whose capacity to demand transparency and accountability from government must be increased. Although popular support for democracy has declined somewhat from the level of 90 percent recorded in the immediate wake of the 1999 elections, 68 percent of Nigerians polled in the 2002 Nigerbus survey agreed with the statement that "Democracy is preferable to any other kind of government."²⁹ This level of public support for democracy is an encouraging indication of popular commitment to building democratic institutions.

F. Social Sector Trends

As Nigeria's oil wealth has not improved the material well-being of the country's people, but instead been accompanied by deteriorating economic indicators and increasing poverty, so too have critical indicators of physical well-being and of long-term investment in human capital declined in recent years. The military dictatorships' lack of commitment to social sector service provision translates into a health and education status for Nigerians that is scarcely better today than it was a generation ago. Basic indicators also display distinct and alarming disparities by geopolitical zone.

Child Survival: Nigeria has made much less progress in reducing mortality among children under five in the decades since Independence than sub-Saharan Africa as a whole. Nationwide, at least 15 percent of children will die before reaching their fifth birthday, but this varies by geopolitical zone from 12 percent in the South West to 22 percent in the North West.³⁰ Most of these deaths occur from preventable causes. Malaria is the biggest killer, followed by vaccine-preventable diseases, diarrheal diseases, and acute respiratory infections. The rates of use of preventive measures against these diseases are extremely low. Fewer than 15 percent of households possess a mosquito net to protect their children,³¹ and only 17 percent of children aged 12-23 months are fully immunized against vaccine-preventable diseases (VPDs). Use of oral rehydration therapy to treat diarrhea stands



at 51 percent.³² The impact of all of these diseases is exacerbated by poor nutritional status. Preliminary results of the national nutrition survey undertaken in 2001 indicate that 42 percent of children are stunted, 20 percent are underweight, and 20 percent suffer from clinical Vitamin A deficiency.³³

Maternal Health: Adolescent girls and women also suffer excess morbidity and mortality, largely from causes related to pregnancy and childbirth. 55 percent of girls aged 15-19 in the North West geopolitical zone are pregnant or already have a child; the median age of marriage is just 14.6 years, and maternal mortality is estimated at 1,600, almost ten times higher than in the South West. 175,000 or more Nigerian women die every year as a result of complications of pregnancy or childbirth – one such death occurs every three minutes. The average Nigerian woman will bear six children during her lifetime, with a median interval between births of just 31 months, fueling a population growth rate estimated at 2.8 percent per year.³⁴

HIV/AIDS: Nigeria is also experiencing a rising tide of HIV/AIDS prevalence. In 2001, 5.8 percent of adults 15-49 years of age were infected, with adult prevalence projected to increase to 9 percent by 2010. The number of infections will grow from 4 million to more than 7 million and Nigeria will continue to account for 10 percent or more of the world's HIV/AIDS burden. Close to one million Nigerian children have already been orphaned by the disease.³⁵

Nigeria's epidemic has been characterized as "...a group of epidemics at different stages of maturation within the same country"³⁶ with significant disparities in prevalence levels by State, geopolitical zone, and population group. The highest prevalence rates are found in southern and central states and zones and are calculated from sentinel surveillance data collected at antenatal sites. The most at risk groups are assumed to include prostitutes and their clients, such as members of the uniformed services and the transportation industry. Seroprevalence data are not available for client groups, but up to 70 percent of prostitutes in Lagos were seropositive in the mid 1990s.³⁷ Demographic and Health Survey (DHS) data from 1999 show that 74 percent of women and 90 percent of men have heard of HIV/AIDS, with over one-quarter of those women who knew

about HIV/AIDS unable to identify any preventive measures. Perceptions of personal risk are low, with two-thirds of respondents believing they have no risk at all of infection.³⁸

These knowledge levels are significantly lower than in other African countries and can be attributed to the failure of the military governments of the 1990s to acknowledge the gravity of the epidemic or to implement any programs to address it. As recently as 1998 the Federal Government's budgetary allocation to HIV/AIDS was a mere \$3,000. The "head in the sand" attitude has also contributed to an extraordinary level of stigma and discrimination against people living with HIV and AIDS (PLWHA). President Obasanjo had made HIV/AIDS a top priority, but newly-elected legislators must now demonstrate the commitment to implement the President's plan.

Basic education: The basic education system in Nigeria has also suffered from the neglect and decline of the military years. A 1999 Multiple Indicator Cluster Survey (MICS) revealed that between 1991 and 1999, adult literacy declined from 44 percent to 41 percent for women, and from 68 percent to 58 percent for men.³⁹ About two-thirds of rural adult women are illiterate, as are almost 80 percent of women in the North. The democratic government has espoused a program of Universal Basic Education (UBE) that would provide nine years of schooling to all Nigerian children, but the authorizing legislation is still pending. In any case, much of the responsibility for basic education has been delegated to state and local governments that do not have the resources to support it. Net enrolment in primary school hovers between 50 and 60 percent, and approximately one-third of children who enter primary school do not complete it.⁴⁰ There are significant gender differences in enrolment and persistence rates, with approximately two million fewer girls in primary school than boys. Less than half of those who complete primary continue on to secondary school, and the rate has been declining. Serious issues remain with both quality and relevance of primary education. Mean achievement on standardized literacy and numeracy examinations is significantly below the pass mark – just 32 percent and 25 percent respectively in 1996.⁴¹

Nigeria's massive unemployment problem, and the large numbers of tertiary graduates who



remain jobless or enter the informal sector, are testimony to the inability of the educational system to equip young Nigerians for productive livelihoods. Education used to be a mechanism through which the children of the poor could become upwardly mobile and move out of poverty. The deteriorating quality and relevance of public sector education mean that it no longer plays this role, rendering poverty dynastic.⁴²

Health/education synergies: Further analysis of available data on basic education and health demonstrates the strong linkages and causal relationships among them. Use of modern contraceptives is three times greater among women with a primary education than among those with no education, while the rate of adolescent pregnancy drops from 50 percent for those with no schooling to just 16 percent for those completing primary. Vaccination rates for children of mothers with a primary education are three times higher than for children of mothers with no education; educated mothers are also more likely to seek medical attention for a child's illness (56 percent) than are uneducated mothers (39.5 percent).⁴³

The impact of children's health and nutritional status on their access to and benefit from education is clear – poor health decreases attendance and completion rates, and impairs children's ability to learn. As the number of children under 12 living in a household increases, the percentage of primary school-age children from those households who attend school decreases. At least 56 percent of 5-12 year olds from households with one or two children under 12 years of age attend school, compared with just 37 percent of school-aged children from households with seven or eight children younger than 12.⁴⁴ These strong and consistent mutually reinforcing impacts provide evidence that greater improvements can be achieved through sectoral integration.

Gender: Nigeria's record on gender issues is weak and in need of improvement. A forward-looking National Policy on Women was adopted by the Federal government in July 2000, but there has been little demonstrable impact to date on the lives of Nigerian women. There is significant variation within the country in the cultural attributes and expectations attached to gender, but by and large women are disadvantaged: in education and training, in

access to resources, in public discourse, and in access to justice.

Domestic duties, lower levels of education, and wage discrimination all affect women in labor markets. There are large gender disparities in formal sector employment and the professions. Women and girls are heavily represented in agriculture and informal sector trading and hawking, but their participation is not captured in any official statistics. Over 90 percent of lands and properties formally registered are in the names of men. Under statutory law women have inheritance rights, but these are generally abrogated by customary law. Domestic violence and spousal abuse of women by men is both widespread and accepted. The practice of arranged marriage of young girls without their consent is commonplace in the North, often with an age discrepancy of 15 years or more between husband and wife. Nigeria has the largest absolute numbers of women who have been subjected to female genital cutting (FGC) of any nation in the world, most commonly in the south and usually carried out in infancy without the option of consent. Cross River, Edo, Delta and Ogun States have enacted laws banning FGC, but national-level legislation is still pending.⁴⁵

Widows and their children continue to be disadvantaged, often dispossessed by the deceased husband's family and reduced to extreme poverty, forced to undergo marriage with a brother in law and/or humiliating widowhood rituals. Women are still by and large excluded from decision making at household level, with the significant exception of retaining control over their own income. This, however, can be a double-edged sword if women are therefore expected to be solely responsible for the consumption needs of their children. Women's exclusion from community participation and decision-making remains a hallmark of most Nigerian ethnic groups.⁴⁶ While parallel women's groups do exist, especially in the South, their overall "clout" and capacity to influence events in the wider community is very limited. Women's representation in political positions at all levels is very small. The National Council of Women's Societies has proposed affirmative action to give women at least one-third of all elected and appointed offices, but to no avail. Only 22 women, less than six percent of the total, were returned to the Senate and Assembly in the



recent national elections, for example. In northern Nigeria women were not enfranchised until 1976.⁴⁷

Nigeria poses a very difficult situation for making any meaningful headway on gender equity. Nonetheless USAID/Nigeria sees opportunities to promote women's political engagement and participation, to develop gendered productive and processing technologies and enhance the capacity of women-owned enterprises, to engage men in reproductive health and child survival, to increase girls' persistence and performance in primary school, and to better equip men and women both in the fight against HIV/AIDS.

G. Other Donors and Partners

Nigeria's relationship with the donor community has not always been smooth. By any standard Nigeria presents a challenging environment for donor involvement. Nigeria's oil wealth makes the country much less dependent on donor flows than any other country in sub-Saharan Africa. While countries such as Uganda receive the equivalent of 50 percent or more of their recurrent expenditure in donor funds, in Nigeria the proportion in 2002 was just six percent.⁴⁸ Nonetheless the good will of donors is crucial to Nigeria, especially in the context of debt rescheduling. From the donor vantage point, Nigeria is simply too important to ignore in both regional and global contexts. The return to democracy re-engaged donors whose programs had been put on hold during the military years. The modest donor resources also have enormous potential to leverage both Federal budget resources from oil, and private sector monies, from oil companies and others, in growth-enhancing and poverty and corruption-reducing directions.

USAID is the largest bilateral donor in Nigeria. Other key donors in Nigeria are the World Bank, the British Department for International Development (DfID), European Union (EU), and United Nations agencies. The Canadian International Development Agency (CIDA) has indicated that it will increase the size of its program over the next three years and move into new sectors. Aid through the Japanese International Cooperation Agency (JICA) is also growing. France, Germany and other bilaterals have small assistance programs. U. S. foundations and PVOs, including Gates,

Packard, Rotary International, and Ford, also support programs in Nigeria, focusing on reproductive health, HIV/AIDS, and the environment. Donor coordination mechanisms are in place for each sector and donor relations are excellent. The collaboration between USAID and DfID has been particularly fruitful.

Democracy and Governance: DfID, the EU, UN agencies and CIDA support rule of law, capacity building at State level, civil society, media development and conflict management programs. These donors collaborated with USAID to provide technical assistance and observers for the 2003 national elections and will likely do so again in 2007. USAID co-chairs the donors' Democracy and Governance group with the United Nations Development Program (UNDP) and actively participates in working groups on civil society, rule of law, conflict, legislative assistance and elections.

Agriculture and Economic Growth: Donors such as the World Bank, DfID, JICA and the EU have focused support on economic policy coordination, debt management, privatization, transparency, and strengthening the investment environment. The World Bank's Economic Management Capacity Building Program (EMCAP) provides a coordination mechanism for efforts in these areas. In agriculture, the World Bank and the Food and Agriculture Organization of the United Nations (FAO) are making major investment in irrigated agriculture and food security respectively, and DfID is developing a new program in agricultural commercialization. Donors in the agriculture sector meet monthly as the Agriculture Donors Working Group. CIDA, the Danish International Development Agency (DANIDA) and Norwegian Aid (NORAD), among others, have small environment programs and align their efforts through the Environmental Coordination Committee.

Child Survival and Reproductive Health: USAID, the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), EU, DfID, JICA and CIDA have effectively coordinated and work with GON and NGO partners to make progress on polio eradication and rebuild routine immunization in Nigeria. These donors are also active in combating malaria. WHO, UNICEF and USAID have been instrumental in fostering a renewed interest in nutrition and have worked closely with the



National Planning Commission (NPC) and the Federal Ministry of Health (FMOH) to develop policy and coordination mechanisms. DfID is a key USAID partner in contraceptive social marketing. The Reproductive Health Development Partners Forum includes USAID, WHO, United Nations Fund for Population Activities (UNFPA), DfID, FMOH and the Packard Foundation among its members. The activities these partners support include advocacy, policy dialogue, capacity building and service delivery.

Basic education: USAID/Nigeria co-chairs the Donors' Coordination Committee, whose other members are the World Bank, UNICEF, United Nations Educational, Scientific and Cultural Organization (UNESCO), DfID and JICA. The World Bank is the largest player, providing \$55 million for primary education and \$101 million for Universal Basic Education. UNICEF has done important work on Islamic and girls' education.

HIV/AIDS: Donor partners in the fight against HIV/AIDS include the World Bank, the UN family, DfID, the Gates Foundation and the Centers for Disease Control and Prevention (CDC). The principal focus of interventions is on prevention, but treatment, care and support are increasingly being addressed. CDC provides technical support to sentinel surveillance efforts, and WHO, USAID and CDC are working closely with the Federal Ministry of Health and the Nigerian Action Committee on AIDS (NACA) to establish prevention of mother to child transmission (PMTCT) programs.



IV. Strategic Rationale

A. Introduction

The USAID/Nigeria Country Strategic Plan (CSP) has been developed over the past year in close collaboration with a broad and diverse set of stakeholders, including other USG agencies, donors, the GON, implementing partners, private sector interests, and civil society organizations such as service-delivery and advocacy NGOs, producer associations, and faith-based organizations. The CSP is fully integrated with and supportive of the USG Mission Performance Plan (MPP) for Nigeria. The strategy is linked to and contributes to all of the Agency goal areas. USAID's management goal, to remain a premier development agency, is supported by the development results that USAID/Nigeria has achieved. The Nigeria strategy is also aligned with the goals, precepts and activities of regional organizations, including USAID's West Africa Regional Program (WARP), NEPAD and ECOWAS. Increased regional economic integration and enhanced trade are themes common to all three of these organizations that are addressed in the CSP. The Nigeria CSP also recognizes a number of crosscutting themes of key importance, including HIV/AIDS, environment, gender, conflict and food security. These themes have implications for each of the strategic objectives but also interact with each other in converging ways that vary according to sector and geopolitical zone. The strategy also builds on opportunities to benefit from and contribute to the objectives of Presidential and Agency initiatives: anti-corruption, trafficking in persons, African education, the initiative to end hunger in Africa, HIV/AIDS, prevention of mother to child transmission. A fundamental guiding principle in the development of the strategy has been the creation of new, dynamic partnerships. Over the past two years USAID/Nigeria has leveraged over \$3 million in resources from private sector partners to complement its investments in health, polio eradication and agricultural development, and we will continue to seek opportunities to build new partnerships and expand existing ones.

B. Past USAID Performance

With the democratic election of the civilian government in 1999, the USAID program in Nigeria was revitalized and expanded. In FY 1998 the OYB was just \$7 million and

involvement was limited to strengthening NGOs to provide rural health services, and a small initiative to assist women's groups to participate in the political process. By September 1999 a Transition Strategy with democracy and governance, economic growth and agriculture, basic education, health, and infrastructure objectives had been put in place, and the budget had increased to \$24 million. The goals of the Transition Strategy were to assist Nigeria's transition to economic, social and political stability, and restore public confidence in civilian-led governance. By FY 2000 resources to initiate activities in the education and infrastructure portfolios had been allocated, activities in economic growth and agriculture and democracy and governance expanded, and the budget had increased again, to \$77.5 million. Originally designed to end in 2001, the Transition Strategy was extended to December 2003 to allow for a thorough planning process and a smooth transition to the new strategy. The Transition Strategy was supported by four strategic objectives and one special objective. The SOs were re-numbered in the USAID/Washington data base when the Transition Strategy was extended, as shown below, and the SOs in the new strategy will be numbered 11 through 14.

SO6: Transition to Democratic Civilian Governance Sustained

This SO addressed elections, civil society, conflict, and selected courts and legislatures. Technical support built the professionalism and capacity of electoral commissions at national, state and local levels and contributed to the passage of the Electoral Act 2002. Two political associations supported by USAID have now been successfully registered as political parties, and fielded candidates in the 2003 elections. Numerous CSOs have also been strengthened to engage in policy dialogue, oversight of government, conflict mitigation and social mobilization. Support to women's advocacy groups was instrumental in enacting laws in key states allowing women to inherit property and banning discriminatory practices against them. USAID established networks of conflict mediators who successfully promoted an end to violent conflicts in Kaduna, Taraba and Kwara States. Judicial strengthening activities in Kaduna and Lagos leveraged resources from the courts to support the USAID program, and significantly improved case management.



Members of the National Assembly and targeted state legislatures improved their skills in legislative drafting and passed laws addressing core development issues. Elements of the program to be carried forward to the new strategy include working with civil society to increase transparency and accountability and manage conflict, and capacity building for the newly-elected National Assembly. Support to the electoral process focused on the 2007 national elections is also envisioned, contingent on receipt of Economic Support Funds.

SO7: Strengthened Institutional Capacity for Economic Reform and Enhanced Capacity to Revive Agricultural Growth

The diverse portfolio of activities under this SO addressed economic policy and institutional strengthening, the private sector, and agricultural productivity. The major emphasis in private sector development was privatization of state owned enterprises through capacity building of the Bureau for Public Enterprise (BPE). Through this support, BPE has achieved international standards of technical proficiency and operational transparency that have helped leverage \$127 million from the World Bank and other donors. USAID also worked to build the capacity of the Economic Policy Coordinating Committee (EPCC), the Debt Management Office (DMO), and the Budget Monitoring and Price Intelligence Unit (BMPI) in the Presidency. Results include the engagement of civil society in poverty reduction strategy dialogue, the implementation of macroeconomic policies for debt management, the first-ever introduction of internationally recognized budget standards and practices, and an anti-corruption survey and media campaign.

The main thrusts of the agricultural activities were to improve productivity, increase private sector input supply, and develop market linkages. Targeted food crops included maize, cassava, cowpea and banana. Thousands of farmers have been reached and on-farm trials of improved varieties have demonstrated two to threefold increases in yields of these core food security crops under local conditions. Public-private alliances in cocoa and gum arabic increased exports and leveraged private sector resources for research and investment. Under the new CSP work to build the capacity of key GON anticorruption and economic governance institutions will continue, and efforts to boost

productivity and competitiveness in the agricultural sector and foster a commercial orientation will be intensified.

SO8: Develop the Foundation for Education Reform

Implementation of the core activity under this SO, to improve the quality of teaching and learning in target schools in three states, did not begin until FY 2002. Community participation, strengthened data collection and policy support, and youth workforce development are also key elements of the SO. Although data on pupil performance are not yet available, the quality of instruction in 327 schools, one-third of them Islamic, has been enhanced by master teacher training, interactive radio instruction for teachers and pupils, and provision of resource kits. Parent-Teacher Associations (PTAs) have responded enthusiastically to the call for greater engagement by using participatory methods to develop action plans to improve their schools. With USAID support, the Federal Ministry of Education completed a comprehensive national Education Baseline Census in 2002, the first since 1995 and a crucial planning tool for education reform. Workforce development efforts provided young Nigerians with critically needed technical skills, and also sensitized them on HIV/AIDS and conflict mitigation. Efforts to build the quality of basic education in Nigeria will continue under the new strategy, and where feasible and appropriate will be integrated with child survival and reproductive health interventions to maximize impact.

SO9: Increased Use of Family Planning/ Maternal and Child Health/ Child Survival/ Sexually-Transmitted Disease/ HIV Services and Preventive Measures within a Supportive Policy Environment

USAID/Nigeria's SO9 addressed Nigeria's poor health status indicators through an integrated program of maternal and child health, reproductive health and family planning, and HIV/AIDS interventions. The SO achieved significant results in polio eradication, reducing unintended pregnancies, and increasing HIV/AIDS prevention, care and support services. USAID's partnerships with other donors, the GON, and the private sector mobilized communities throughout the country to immunize 35 million children against polio. Unmet demand for family planning is being addressed and use



of condoms to prevent HIV/AIDS is increasing. Innovative new multisectoral partnerships bringing together GON, donors and the private sector in the fight against HIV/AIDS have been forged, and 110 local NGOs, half of them faith-based, are now able to provide quality HIV/AIDS prevention and care services. In the new strategy, the reproductive health, family planning and child survival elements of this SO will be integrated with basic education for increased synergy and impact. Given the gravity of the epidemic in Nigeria and the potential for large and rapid increases in the number of people infected, the Mission will address HIV/AIDS (and tuberculosis) in a stand-alone strategic objective.

Special Objective: Improved Management of Critical Elements of the Infrastructure and Energy Sector

Nigeria's development is being severely impeded by inadequate energy supplies and poor infrastructure. The SpO provided technical assistance, training and equipment intended to improve the electricity, aviation, and ports sectors. Program elements included financial and contract management training for the electricity parastatal, aviation safety and security, and efficient and secure port operations. Most of the implementation of activities to support the SpO was delegated to other USG entities with comparative advantage in those sectors through Interagency Agreements (IAAs) and USAID/Nigeria was not involved in their management. Given funding constraints in these areas, activities under the SpO will not be carried forward to the new strategy.

C. The Planning Process

In August 2002, USAID/Nigeria launched a multi-pronged effort that culminated in the new CSP. The first step was a Mission-wide strategic planning retreat in which we took stock of progress and constraints under the Transition Strategy, and identified data and analytic gaps and strategic opportunities for the new program. Key questions arising from this initial retreat helped to inform the planning process:

- Where can one intervene in Nigeria and expect to make a difference – sectors and geopolitical zones?

- What has worked in the past, and what has not?
- In what areas or sectors does USAID hold a comparative advantage?
- What are the opportunities for synergies and linkages that will increase development impact?
- How can the new strategy build on past achievements and identify opportunities for innovation, leveraging and new partnerships?

The first product of this planning process was the USAID/Nigeria Concept Paper for the proposed strategy. This Concept Paper was submitted to USAID/W in October 2002, and approved at a review meeting convened on November 19, 2002.

The planning process identified numerous gaps and inconsistencies in Nigeria's data base. The Mission accordingly designed a broad analytic agenda of studies, assessments and evaluations to fill these gaps. The reports prepared in response to this agenda have provided a wealth of qualitative and quantitative data that strengthen the empirical grounding in which the strategy is rooted. Our decisions on strategic directions have been richly informed by the results of our analytic efforts. Key pieces of this work are provided as annexes, as is a list of all studies undertaken (Annex 2).

A third component of the planning process was a model strategy of stakeholder consultation, initiated at the concept paper stage. These consultations took place at several levels, and at different points along the continuum of strategy development, and invited the input of implementing partners, donors, GON, civil society, private sector interests, and USG colleagues. As the strategy evolved, it was repeatedly discussed with and vetted by these groups. The final CSP reflects this extensive dialogue and ground-truthing. Stakeholder consultation is more fully described in Annex 3.

D. Program Parameters

USAID/Nigeria's concept paper for the 2004-2009 CSP was reviewed and approved in USAID/Washington on November 19, 2002. The Mission was provided with guidelines for strategy development in the parameters cable (03 State 040654) issued subsequent to that



meeting. The following points contained in that cable informed strategy development.

- Planning period. The requested five-year planning period (2004 – 2009) was approved.
- Scenarios. USAID/W approved the further development of the three program scenarios proposed in the concept paper: “Renewal from the Roots”, a democratic consolidation scenario; “The Crippled Giant”, a political uncertainty scenario; and “Things Fall Apart”, a democratic collapse scenario. The CSP should include a discussion of events that would trigger a change from one scenario to another, and how these would be monitored. Information should also be provided on SOs, IRs and/or activities that would or would not continue under each scenario, how results would change, and how resources (program, OE, staffing) would change.
- Vision and goal. The Vision Statement contained in the concept paper was approved and the Mission instructed to develop the goal statement while preparing the CSP.
- Strategic Objectives. The Mission was authorized to develop four strategic objectives, addressing democracy and governance, agriculture and economic growth, social sector services, and HIV/AIDS.
- Program funding. The Mission was advised to plan on a base program funding level of \$65 million per year, but to develop a higher funding scenario reflecting participation in Presidential initiatives and partnerships, including the Global Development Alliance, and use of ESF.
- OE resources. Set at \$4.2 million per year with an average annual increase of two percent or less.
- Staffing. The request for 14 funded USDH positions, including an HIV/AIDS technical advisor, was approved, and the Mission may also pursue a two-year unfunded NEP position. The increase in total staffing from 84 to 104 is significant, but the Mission has the scope to decide on the non-USDH

staffing mix so long as authorized funding is adequate.

E. Program Goal

President Olusegun Obasanjo came into office in 1999 on a platform that promised macroeconomic policy reform, poverty alleviation, improved service delivery, universal basic education, accountable government and reduced corruption. But the legacy of military rule was not so readily overcome, and most of these promises have not yet been realized. Nonetheless, important first steps have been taken on a number of fronts. The Independent Corrupt Practices and Other Related Offenses Commission (ICPC) has been established and has survived the efforts of the outgoing national Assembly to emasculate it; the GON has taken major strides in developing a coherent poverty reduction strategy paper (PRSP), with civil society engagement; sound policies on reproductive health and nutrition have been put into place; the President has recognized the massive threat of HIV/AIDS and thrown his political weight behind the national program; entities such as the Bureau of Public Enterprises (BPE), the Debt Management Office (DMO) and the Budget Monitoring and Price Intelligence Unit (BMPI) are soundly managed and have zero tolerance for corruption; civil society is dynamic, enjoys an increasingly open political and social environment, and supports democracy. The reelection of the president gives him the opportunity to build on both his past accomplishments and the positive spirit in the country, and move his reform agenda more aggressively. The time is right for the international community to increase the intensity and focus of dialogue with Nigeria’s government and people, and to develop strategic interventions that will move Nigeria to realize its potential and allow its people to prosper. In line with this thinking, USAID/Nigeria has adopted as its strategic goal:

USAID supports Nigeria in achieving a more transparent and participatory democracy with a healthier and better-educated population in a growing and diversified economy.



F. Strategic Objectives

The Concept Paper submitted and approved in November 2002 set forth the Mission's approach to assisting Nigeria in achieving further progress along the democratic road. Given reduced overall funding levels, USAID/Nigeria proposes to continue to work in all sectors addressed in the Transition Strategy except for infrastructure: that is, democracy and governance, agriculture and economic growth, reproductive health, child survival and basic education, and HIV/AIDS and tuberculosis. The analysis completed since the concept paper was submitted, and our intensive dialogue with stakeholders, have confirmed these choices. USAID/Nigeria proposes the following four Strategic Objectives (SOs) as the basis of our assistance program over the next five years:

- SO11: Strengthened Foundations for Democratic Governance
- SO12: Improved Livelihoods in Selected Areas
- SO13: Increased Use of Social Sector Services
- SO14: Reduced Impact of HIV/AIDS in Selected States

USAID/Nigeria will implement this strategy over the five year period 2004 – 2009. This planning period will carry us through and beyond the next national elections, scheduled for 2007. If successful, these will be the second successive elections conducted under the auspices of a democratically elected government, and will mark the longest continuous period of civil authority in independent Nigeria's history. The time frame is also consistent with Mission plans for major data collection and analysis efforts that will provide the basis for clearly measuring progress made and results achieved under the CSP.

SO11: Strengthened Foundations for Democratic Governance

Rationale: Although the national elections in 2003 ushering in the second successive elected civilian administration were a watershed in Nigerian politics, many roadblocks to strengthened democracy still remain. Aging political elites are still entrenched in both traditional and modern political structures,

excluding the majority of citizens from meaningful political participation. Opportunities are limited not only by the interests of elites, but by other factors as well, including age, sex, ethnicity, and socioeconomic status. The scale and prevalence of conflict – triggered by communal, ethnic, religious or resource issues – poses a major threat to democracy in Nigeria. The structure of government and the concentration of power at the center and in the executive have reduced incentives for reform. Systemic corruption is a key governance issue that has pervaded the daily lives of Nigerians, who believe that only unemployment is a bigger challenge to growth and development in their country. Civil society has been freed of many of the constraints it faced under military rule, but still lacks both the capacity and the resources it needs to truly engage with government and advocate for change. Government institutions, for their part, have by and large not established partnerships with citizens or private sector actors, and themselves lack capacity to carry out their own mandates.

Results: To address these constraints, SO11 will build the capacity of civil society and legislative bodies, support efforts to respond to and manage conflict, and address the need for professionalism and transparency in the next elections. Civil society is central to making government more responsive and accountable through advocacy and oversight. Legislatures are a focal point for civil society engagement; they also serve to balance power within government and as a central point for policy development. The inability to manage conflict perpetuates human suffering, tarnishes the country's image, and compromises overall social and economic development. Properly managed elections whose results are accepted and agreed to by the people are the cornerstone of democracy. While the 2003 elections were generally successful, administrative problems must be addressed early on in order to ensure a smoother and more credible process in 2007.

Illustrative indicators: Achievement of the SO will be measured by levels of public confidence in key governance institutions, and client satisfaction with selected government services.

Agency goal areas:

- Democracy and Good Governance Strengthened



- Lives Saved, Suffering Reduced, and Conditions for Political and Economic Development Reestablished

Linkages to other SOs: SO11 presents numerous opportunities for synergies with and support to SOs 12-14. Civil society engagement and capacity building are common threads across all of the SOs. Advocacy efforts with civil society will call for transparent budgeting, procurement and management procedures, with resulting positive impacts on social sector and HIV/AIDS service delivery, and the enabling environment for the private sector. Work with the National Assembly will strengthen its ability to develop improved and more responsive policies in all sectors, and to pass them into law. This engagement is particularly important given that there is such a large majority of first-time Senators and Representatives. Conflict has potential impacts on all SOs, at worst making it difficult to implement activities in places where conflict is prevalent. Conflict management must therefore be coordinated with and addressed by all of the Mission's programs.

SO12: Improved Livelihoods in Selected Areas

Rationale: Although the country is rapidly urbanizing, a majority of Nigerians still live in rural areas, and agriculture forms the basis of their livelihoods. Over the past 40 years agriculture has declined markedly by almost every measure – share of GDP, value of exports, productivity. Nigerian agriculture commodities are no longer competitive in regional or international markets, and policymakers have become preoccupied with the struggle over oil revenues, which do not directly benefit the mass of Nigeria's citizens. The poor performance of the agricultural sector has been caused by inappropriate policies and the use of low-input, low-output technologies. Post-harvest losses are high, appropriate processing and value adding technologies are not available, a commercial orientation is lacking and market information and linkages are weak. Given this low-resource approach and high population growth, production gains have been made by expanding the cultivated area, rather than through increased efficiency, putting the remnants of the natural resource base at risk. Farmers and entrepreneurs also lack access to critical financial services. Private sector growth is constrained by a poor enabling environment,

the erosion of Nigeria's competitiveness, poverty, and marginal growth in Nigerian markets.

Results: SO12 has chosen to focus its efforts on increasing the productivity of selected commodities, expanding the number and range of value added products, building a more commercial and competitive orientation among farmers and small entrepreneurs, and improving the policy environment. Stakeholder dialogue and policy analysis have identified low productivity, a weak business culture, and lack of market opportunities as the three most important constraints to the revitalization of the economy. SO12 will directly address these core barriers to sustainable economic growth in Nigeria, and will also support the goals and objectives of the presidential Initiative to End Hunger in Africa (IEHA), and the Agency's agriculture and trade development strategies.

Illustrative indicators: Success in achieving the SO will be measured by increases in volume, value and income of selected commodities and products, and diversification of commodities and products on the farm and in the market.

Agency goal areas:

- Broad Based Economic Growth and Agricultural Development Encouraged
- The World's Environment Protected for Long Term Sustainability

Linkages to other SOs: SO12 will work to increase productivity and commercialization, ultimately raising rural incomes and thereby increasing access to health and education services. Over time, economic growth will leverage increased public investment in social sector service delivery. SO12 will work closely with SO11 to promote accountable governance and reduced corruption. Improved livelihoods and more sustainable production will reduce the likelihood of conflict that is rooted in competition over scarce resources, and will also reduce chronic malnutrition over the longer term. SO12 will make special efforts to target assistance to enterprises among vulnerable populations such as people living with HIV/AIDS (PLWHAs) and orphans and vulnerable children (OVC).



SO13: Increased Use of Social Sector Services

Rationale: Despite its oil wealth, Nigeria has been ineffective in providing quality social sector services to the people that would reduce child and maternal morbidity and mortality, allow people to plan their families, or increase literacy or academic performance. Almost two out of every 10 Nigerian children will die before their fifth birthday, from largely preventable causes. Use of accessible, affordable preventive measures is appallingly low. Adult literacy actually declined during the decade of the 1990s, and fewer than 60 percent of children are in school. Fertility is high, birth intervals are short, and contraceptive prevalence is low. The population is growing at close to 3 percent per year, placing additional stress on the already overburdened schools and clinics. Data also indicate that health and education indicators are much worse in northern Nigeria than in the rest of the country. The poor quality of education, coupled with lack of access, is encapsulating successive generations of the poor deeper and deeper into poverty.

Results: Key constraints to the use of social sector services in Nigeria include their poor quality and lack of accessibility. In some areas of the country, there is also constricted demand, for example for antenatal care and family planning services in the North. There is also a powerful need for an improved policy environment, given the extremely low resource levels allocated to health and education in the Federal budget. SO13 will work to improve the quality of social sector services, increase demand and access, and improve the enabling environment at all levels. The impact of these efforts should result in increased use of social sector services in USAID's focus states.

Data from the NDHS and other studies demonstrate the strong reciprocal relationships among health and education variables. Increasing levels of maternal education are directly linked to smaller family size and increased use of preventive measures such as immunization, oral rehydration therapy, and insecticide-treated mosquito nets. The number of young children in the household is a significant predictor of school enrolment and attendance among those children. These linkages argue powerfully for the strategic integration of programs in reproductive health

and family planning, child survival and basic education where feasible and practical.

Illustrative indicators: This SO will use performance measures such as school persistence and performance, immunization rates, and contraceptive prevalence. Targets are provisional, pending receipt of data from the 2003 NDHS.

Agency Goal Linkages.

- The World's Population Stabilized and Human Health Protected
- Human Capacity Built Through Education and Training

Linkages to Other SOs: Improved health and higher levels of numeracy and literacy will enable Nigerians to take better advantage of the opportunities to increase productivity and build enterprises offered by SO12. When coupled with improvements to their livelihoods, better health and education status will also empower Nigerians to participate more fully in civil society, and demand higher standards of performance from their government. The linkage of SO13 and SO14 is particularly strong and important. Schools and health facilities are critical venues for the delivery of services and impacts for both SOs and there are significant opportunities for joint programming. Given the disproportionate impact of HIV/AIDS on young people in Nigeria, schools are a likely venue for behavior change communication (BCC) interventions, even given the low enrolment and persistence rates in Nigeria. Family planning and antenatal clinics also seem viable sites for linking SO13 and SO14 interventions.

SO14: Reduced Impact of HIV/AIDS in Selected Areas

Rationale: Nigeria has only recently begun to understand and to respond to the potential impact of HIV/AIDS in the country. Although prevalence is lower than in neighboring countries, Nigeria accounts for nearly 10 percent of the HIV/AIDS burden in the world, with 4 million of its citizens living with the infection. In the absence of major targeted interventions, the number of infected individuals is expected to increase to between 7 and 9 million by 2010. One million Nigerian children have already been orphaned by HIV/AIDS and this number will more than treble over the next seven years. The national response has been slow to develop,



and fear, stigma and discrimination against PLWHA are high. Efforts to develop and disseminate behavior change messages are increasing and condoms are widely available – sales of socially marketed condoms increased by 80 percent over the past three years – but other basic prevention, treatment, care and support capacity and infrastructure is largely lacking; there are only two dedicated VCT centers in all of Nigeria, for example.

Results: Given the size of Nigeria and the scale of the problem, SO14 will focus much of its efforts in six key states plus the Federal Capital Territory (FCT) of Abuja. Most at risk populations, or MARPs, including prostitutes, truck drivers, uniformed personnel, and PLWHA will comprise the key target groups for prevention efforts. Treatment, care and support interventions will be targeted to PLWHA and OVC. The SO will address issues of stigma, low knowledge levels, poorly trained providers and inadequate services in order to increase the demand for and access to quality prevention, treatment, care and support services, and will also work with partners in the Nigerian public and private sectors and in the donor community to improve the enabling environment, collaboration, and coordination.

Indicators: As a “Priority Intensive Focus Country” in USAID’s Expanded Response program, SO14 is mandated to report progress in reducing seroprevalence among 15 – 24 year olds, prevention of mother to child transmission, and providing basic care and support to PLWHA and orphans and vulnerable children (OVC). The Mission will also report at the sub-SO level on core behavior change indicators.

Agency Goal Linkage:

- The World’s Population Stabilized and Human Health Protected

Linkages to Other SOs: HIV/AIDS is not a health problem alone; a vigorous and coordinated multisectoral response is essential. SO14 demonstrates strong reciprocal relationships across the strategy. SO11’s legislative advocacy and civil society work will help to reduce stigma and leverage more budgetary resources for HIV/AIDS. Conflict creates an environment that increases the risk of HIV transmission and conflict management activities under SO11 will have a mitigating effect. Increased agricultural productivity will

reduce the cost of food and increase its availability and accessibility for PLWHA and their families. SO12 will also work to build small enterprises and increase their access to business development and financial services, and will make special efforts to make these available to PLWHA and OVC. Better educated citizens will have better access to information on which to base decisions about their sexual behavior, and be more empowered to demand the use of preventive measures. The use of other social sector services, such as barrier methods of family planning, also helps people reduce their risk of infection.

G. Geographic Focus

In the Concept Paper, USAID/Nigeria made a commitment to work in all six geopolitical zones of Nigeria, with the caveat that not all programs would be implemented in all zones. A programmatic presence in all six geopolitical zones is a political imperative in Nigeria. It is almost impossible to overstate the importance of this issue in the country. State or zone of origin is a major criterion for selecting Ministerial candidates, for example; and the national youth employment program is required to create 3,000 jobs in each state, regardless of population size or demand. The sheer immensity of the country and the reduced resource levels for the CSP have necessitated geographic targeting if results and impact are to be achieved. The Mission accordingly developed a set of criteria for the prioritization of target states.

Box 2: Criteria for Selection of Target States

- Critical need
- Build on transition program
- Size of population
- Potential to achieve results and impact
- USAID comparative advantage
- Opportunity for scaling up and sustainability
- Public-private partnerships
- Other donor presence
- Synergy with other USAID/USG programs

Application of these criteria identified the following target states:



Table 3: Target States

State	Zone	SO11	SO12	SO13	SO14
Abia	SE		x		
Anambra	SE				x
Bauchi	NE			x	x
Cr. River	SS		x		
Delta	SS	x			
FCT Abuja	NC		x	x	x
Kano	NW	x	x	x	x
Lagos	SW	x		x	x
Nasarawa	NC			x	x
Plateau	NC	x			
Rivers	SS	x			x

The population of these states in 2003 is close to 45 million people, approximately one-third of Nigeria's total estimated population of 135 million. At least 55 percent of the target population, or close to 25 million men, women, and children, live in poverty on less than \$1 per day, against a national poverty rate of 70 percent. While the population of Lagos and Anambra is largely urban, the other states are about 75 percent rural. Overall adult literacy is estimated at 70 percent for men and 49 percent for women. Sentinel surveillance data puts overall adult HIV seroprevalence in the target states at around 6 percent, varying from a low of 3.3 percent in Abia to a high of 10.2 percent in Abuja; in the aggregate, these states bear about 32 percent of the national HIV/AIDS burden.

H. Crosscutting and Converging Themes

Food Security: Nigeria is a low-income, food deficit country that spends about 15 percent of its export earnings every year on food imports. The key contributing factors to food insecurity are poverty, inappropriate policies, low and declining agricultural productivity, conflict, HIV/AIDS, and vagaries of climate. Its principal result is a population that is chronically malnourished and cannot develop its full potential. All of these contributing factors are long term and chronic, with the exception of the weather and localized conflict, and must be addressed using a development approach rather than short term relief. SO11's conflict management activities will help defuse crises and abate acute food insecurity, while its work to increase accountability and give a voice to civil society, including the poor, will in the long term enhance food security through policy reform. SO12 will tackle the problem both on the farm, through its efforts to increase the productivity of key commodities, and at the center, by creating a more favorable policy environment for the agricultural sector and for economic

management. SO13 has already succeeded in focusing attention on nutrition and its role in child survival and will continue to promote behaviors, such as exclusive breastfeeding, that can mitigate the impact of food insecurity on the most vulnerable. Particularly in its programs for PLWHA and OVC, SO14 will ensure access to nutrition information and counseling and income generating opportunities to boost household income and food supply.

Conflict: Conflict in Nigeria is localized and has multiple causes. Its disruptive effects threaten food security and income generation, lead to the destruction of property and loss of life, interfere with or prevent the use of health and educational services, foster the transmission of HIV/AIDS, and have disproportionate negative impact on women and their children. Conflict also affects the implementation of development assistance programs. While none of USAID/Nigeria's ongoing programs has been seriously compromised by conflict episodes, the threat of conflict is very real throughout the country and must be taken into account, and addressed, in all USAID activities. SO11 will work with civil society groups, in particular youth, private sector, and multi-ethnic and/or multi-regional associations, in conflict management initiatives. The National Assembly, ultimately responsible for designing policy responses to many of the underlying problems that drive conflict, will also be a key partner. Competition over natural resources is at the heart of many recent episodes of conflict in Nigeria, and SO12 will seek to diversify economic opportunities in areas where resource competition drives violence. SO12 will also look for opportunities to target microenterprise programs to groups at high risk of violence. SOs 13 and 14 can also engage at-risk youth through health and education activities, or build wider "tolerance" messages into BCC programs addressing stigma. For all SOs, associations and activities that "bridge" divided groups will be an important vehicle for conflict management.

HIV/AIDS: HIV/AIDS is a multisectoral problem. In high prevalence countries it has negative impacts on agricultural production, the skilled workforce, and the health care delivery system. It is exacerbated by conflict and infringes on human rights and dignity. Women are more seriously affected than men both in the proportion infected, their roles as caregivers to PLWHA and orphans, and unequal power



relations that make it difficult for them to negotiate safe sex. Thus far Nigeria has not mounted an effective response to any of these issues and has been identified as a “next wave” country, facing a massive increase in numbers infected. To forestall this, prevention, treatment, care and support interventions must be scaled up and delivered through multiple channels: the workplace, the school, the community, the government, the private sector, and faith based organizations. SO11 is positioned to address advocacy, human rights, and empowerment issues through its civil society and legislative work, and also integrate HIV/AIDS messages into its conflict activities. Increased agricultural productivity, employment generation and microenterprise development supported by SO12 all hold potential benefits for PLWHA and others affected by AIDS. SO13 already supports condom social marketing, STI prevention, prevention of mother to child transmission (PMTCT) and antenatal care, and there is potential to mobilize PTAs and communities to address the needs of OVC. SO14 will provide technical leadership and, potentially, resources to these efforts.

Gender: In comparison to their male counterparts, Nigerian women are disadvantaged in access to justice and political participation, their economic roles and control over resources, their levels of education and access to health care, and their ability to protect themselves against HIV/AIDS. Given these inequities, there is a clear imperative for the USAID/Nigeria program to pay close attention to gender and to ensure that it is appropriately addressed throughout the portfolio. The Mission’s democracy and governance program has maintained a strong focus on women’s political empowerment even prior to the democratic transition and will increasingly engage with NGOs working on gender issues in the civil society program. SO11 recognizes that women are particularly vulnerable in conflict settings, and will build the capacity of partners to address their needs. Given the key role of women in agriculture in Nigeria, especially in the south, SO12 is well-placed to assist women to benefit from productivity gains and improved technologies, and also to ease their access to credit. SO13 is devoting particular attention to improving girls’ persistence and performance in primary school through both teacher training and community participation. Reducing maternal and child morbidity and mortality require

addressing the needs and concerns of both men and women with gender-appropriate methods and messages, also under the mandate of SO13. SO14’s BCC campaigns will recognize the differing knowledge levels, informational needs, and means of access to information of men and women, and design focused programs responsive to those differences.

Environment: All Nigerians must grapple with one or more of the three key threats to the environment in their country: unsustainable use of natural resources, unplanned urban development, and petroleum industry operations. The first of these threats has grave implications for agricultural productivity, food security and nutrition, and the availability of potable water and wood fuel. The rapid pace at which urbanization is taking place in a totally unregulated way is already posing huge problems of sanitation and waste disposal, and flooding the cities with unemployed and unemployable youth who can readily be manipulated into violence and conflict. The oil companies, especially in the Delta, have also created an environment favorable to conflict, in addition to damaging the environment generally and individual livelihoods particularly through gas flaring, oil spills, pipeline construction and saltwater infiltration. Each SO will deal with some element of these issues. SO11 will build the capacity of environmentally-conscious NGOs to engage with the government, and will also target the legislatures and mediate resource-based conflicts. A key focus of SO12 is sustainable agriculture that boosts productivity without encroaching further on the remaining forested land. SO12 may also promote the use of energy-conserving technologies, and generate alternative economic opportunities in areas adjacent to natural reserves. Environmentally-friendly messages can be part of the primary school curriculum under SO13. Since diarrheal disease, a leading cause of child morbidity and mortality, is often a product of inadequate or contaminated water supplies, SO13 also has a role in promoting rational use of water resources and improved sanitation, particularly adjacent to schools. Especially in urban areas, appropriate disposal of biomedical waste is an environmental issue that SO14 could address.

Transparency: Nigeria is notorious for the levels of corruption and the lack of transparency that attend the conduct of daily affairs.



Transparency International rates Nigeria as the second most corrupt country in the world out of 102 countries evaluated, exceeded only by Bangladesh. The high rate of corruption has direct impact on activities implemented under all of the SOs because it increases the costs of doing business, prevents direct support to the GON, and slows the pace of implementation as partners must be carefully vetted, and because rent-seeking impedes the release of imported commodities from customs. Each SO must address transparency on two levels: as it affects program implementation, and as a core development issue. SO11 and SO12 are collaborating in the execution of an anti-corruption program that builds the capacity of civil society organizations to dialogue with and lobby the National Assembly to pass freedom of information and other landmark legislation, and with key government institutions that have demonstrated some degree of transparency in their operations as replicable models. Under the CSP the other SOs will also support these initiatives and will additionally work at community level to generate increased demand for accountable government functions.

I. Program Integration

USAID/Nigeria's program goal and proposed strategic objectives reflect and support wider USG interests in Nigeria, as laid out in the Mission Performance Plan (MPP) 2005. USAID contributes significantly to three MPP Performance Goals:

- Greater consolidation of democracy and opening of political space, with emphasis on strengthening civil society, mitigating internal conflict and increasing government accountability (SO11, SO12).
- Nigeria develops a growing economy, open markets and a positive business climate that enhances the quality of life for Nigerians, with a focus on improvements in health and education (SO12, SO13, SO14)
- Improve ECOWAS' ability to monitor and coordinate sub-regional responses to new and ongoing conflicts. Cooperate bilaterally so that Nigeria provides the necessary leadership to prevent and resolve conflict in West Africa and to support conflict resolution elsewhere on the continent (SO11).

The USG community in Nigeria is significant and includes representation from a number of Cabinet Departments, including Treasury, Agriculture, Commerce and Defense. USAID has worked closely with the Agricultural Attaché on commodity import and other issues, and has supported Treasury's work in debt management through an Interagency Agreement (IAA). IAAs with the Departments of Energy and Transportation were the implementation mechanism for the Special Objective under the Transition Strategy. The USAID Mission is co-located with the Nigeria country office of the Centers for Disease Control and Prevention and under the CSP the two Agencies will be jointly implementing a PMTCT program at four "Centers of Excellence" affiliated to University teaching hospitals.

A number of activities directly funded through USAID/Washington mechanisms are also being implemented in Nigeria. The Economic Growth, Agriculture and Trade Pillar Bureau supports a diverse portfolio, including:

- Association Liaison Office for University Cooperation in Development (ALO) and the United Negro College Fund Special Programs (UNCFSP) partnering with U. S. and Nigerian universities in meat processing and poultry-rearing activities.
- Collaborative Research Support Programs (CRSPs) supporting research into production and productivity of sorghum, millet and cowpea, again through university partnerships.
- USAID-World Bank Crisis Mitigation Grant, for improvements in maize production and trade in partnership with IITA and the West African Maize Network.
- Dairy Directive funds for the International Livestock Research Institute's peri-urban dairy development project.
- Microfinance funding for the Grameen Foundation and Lift Above Poverty Organization for accessible financial services.
- Sustainable Tree Crops Program (STCP) working with cocoa farmers in



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Ondo State to strengthen producer associations and quality control.

- Global Technology Network (GTN), supporting partnerships between Nigerian entrepreneurs and U. S. exporters.

Activities funded by other USAID/Washington operating units include:

- Global Development Alliance (GDA): support to the Academy for Educational Development youth workforce development activity in the Delta.
- Leland Initiative, AFR/SD: Capacity building for Nigerian Communications Commission (NCC).
- Office of Foreign Disaster Assistance (OFDA): International Foundation for Education and Self Help (IFESH), material assistance to internally-displaced conflict victims in Warri, Delta State.
- Democracy, Conflict and Humanitarian Assistance (DCHA): support to the Institute of Human Rights and Humanitarian Law for societal responsibility programs.

USAID/Nigeria's program will directly support and benefit from key Presidential and Agency Initiatives, as summarized below.

Africa Education Initiative: Quality and equity are core problems in the basic education sector in Nigeria. This initiative will address quality issues in basic education by supporting improved pre-service and in-service teacher training. The initiative also focuses on Islamic education and equitable access. USAID/Nigeria has already undertaken the implementation of activities under this initiative in its basic education program.

Trafficking in Persons Initiative: Nigeria has more victims of trafficking than any other African country. Over 300,000 women are known to have been trafficked to Europe and the Middle East for sexual purposes, and trafficking in child labor is also a serious and growing problem. The Mission is working with a coalition of partners in both public and private sectors to

increase awareness and to rehabilitate victims of trafficking and equip them for alternative livelihoods.

Anti-Corruption Initiative: Corruption is deeply entrenched at all levels of Nigerian life and constitutes a major disincentive to investment in the country and consequently to economic growth and equity. USAID has developed an anti-corruption strategy targeted at key reform institutions in the government and building the capacity of civil society to hold these institutions accountable, thereby addressing the goals of this initiative.

Presidential Emergency Plan for AIDS Relief (PEPFAR), including the Mother and Child HIV Prevention Initiative: The President's Initiative targets 14 countries, 12 of them in Africa. Four million Nigerians are already infected with the virus and on the continent Nigeria is second only to South Africa in the number of its people directly touched by the epidemic. Over 110,000 babies are infected with the HIV virus in Nigeria every year due to mother-to-child transmission. The initiative is intended to prevent 7 million new adult infections and reduce mother to child transmission by 40 percent in the next five years. Prevention of mother-to-child transmission (PMTCT) activities will be targeted in four states where, in collaboration with CDC, the Mission is supporting Centers of Excellence at teaching hospitals. Other components of the program will focus on most-at-risk populations in key states in its efforts to slow the rate of increase of new infections.

Initiative to End Hunger in Africa: Nigeria was once a leading producer of agricultural commodities such as cocoa and palm products, but has now become a net food importer with a largely food insecure and malnourished population. The revitalization of a market-oriented Nigerian agriculture is the key to economic growth and poverty reduction. USAID/Nigeria is developing an action plan laying out how its investments in agriculture build on key principles of IEHA and the EGAT agriculture strategy.

Faith Based and Community initiatives: A fundamental principle underlying the CSP is engagement with community structures and partnership with faith-based organizations. Child survival and basic education activities in the transition strategy were built on community



participation and capacity-building models, engaging with church groups, parent-teacher associations, and community-based organizations (CBOs). Large faith-based groups such as the Church of Christ in Nigeria (COCIN), the Catholic Church, and the Supreme Council for Islamic Affairs are on-going partners in reproductive health, child survival, and HIV/AIDS programming. Opportunities will be sought to engage with FBOs and community organizations across all strategic objectives.

Regional partners: Regional USG partners also work closely with the Mission and support the achievement of our objectives. USAID's West Africa Regional Program (WARP) supports the West African Trade Hub and implements regional SOs in economic integration, reproductive health/ nutrition/ child survival, food security and environment, and conflict prevention. WARP staff have worked closely with USAID/Nigeria to develop the CSP and ensure that regional programs and regional perspectives are given appropriate attention. WARP is also designing a regional market information activity that will directly support the Mission's agriculture program. WARP also works on regional energy issues, including facilitation of the West African Power Pool and Gas Pipeline that will ultimately be of enormous benefit to Nigeria.

USAID/Nigeria's CSP also recognizes the need for close coordination and information sharing with African originated, owned, and driven initiatives. Nigeria has been central to the formation and leadership of two of these organizations, the New Partnership for Africa's Development (NEPAD) and the Economic Community of West African States (ECOWAS). WARP also works closely with ECOWAS on regional economic integration, including developing a common tariff structure as well as a unified monetary system. Nigeria has made commitments to implement a common external tariff (CET) for the ECOWAS countries, but has not yet moved towards harmonization. Reduction in high duties imposed by Nigeria (and other countries) for regional goods will facilitate regional economic integration and expand markets for all ECOWAS countries. This is clearly a key element in SO12's policy dialogue with the GON. ECOWAS has also formalized its role in regional conflict resolution through its monitoring group (ECOMIG), and is supported under MPP Goal 6 in this capacity.

The Heads of State and Government Implementation Committee of NEPAD met in Abuja on May 28, 2003, under the chairmanship of Nigeria's President Olusegun Obasanjo. The committee has given high priority to agriculture and infrastructure and has moved forward with establishing a panel of Eminent Persons to implement the African Peer Review Mechanism, a tool for promoting transparency and accountability in public decision making and resource allocation in member states. These priorities are reflected in the USAID/Nigeria CSP, particularly the strong emphasis on agriculture as a mover of economic growth, and the recognition of the need for accountability. USAID/Nigeria has already used the Eminent Persons panel concept in its governance program and will continue to work in this area in the new strategy.

J. Global Development Alliances and Other Partnerships

From the start of the Mission's process to develop the new CSP, private-sector partnership has been recognized as a critical element in achieving USAID's objectives in Nigeria. While USAID/Nigeria has enjoyed considerable collaboration with and support from the private sector under the current Transition Strategy, the Mission expects to significantly expand the size and scope of these partnerships under the new strategy.

Recognizing that the private sector in Nigeria has both the resources and the incentive to provide considerable support for sustainable development in Nigeria, USAID/Nigeria has made engagement with the private sector a priority throughout the Mission. Further, unlike many other developing countries, Nigeria does have significant resources of its own, which, if used more productively, can do much to improve the lives of its citizens. Enhancing the GON's capacity to make sound resource investment decisions is a key element of the partnership. Starting from the initial consultations held for the CSP, the private sector, and other potential partners, have been included throughout strategy development as key stakeholders in Nigeria. Engagement with the private sector has helped the Mission to understand development issues from the business perspective, to identify those objectives that are a priority for the private



sector, and to communicate USAID's development strategy for Nigeria.

As a result of the Mission's efforts to engage the private sector and other partners, including other donors, a number of strategic areas have been identified that reflect a convergence of the Mission's objectives and the private sector's priorities. These include:

- Economic growth and income generation;
- Community and social sector development;
- Conflict management and prevention.

The Mission plans to solicit a variety of public-private and other partnerships, including foundations, donors, and the government of Nigeria, through procurement mechanisms that will encourage offerors to think innovatively and creatively about ways to leverage significant non-USG resources in their proposals to USAID/Nigeria. While it may not be possible to apply this approach to all activities to be funded by the Mission, it is preferred whenever and wherever possible. Public-private alliances and other partnerships are expected to bring together coalitions of organizations and individuals who will jointly define a problem, situation, and solution, thereby capitalizing on the combined knowledge, skills and expertise of all partners.

Over the past two years the Mission has leveraged over \$18 million through a variety of partnership models to complement its own resources. In September 2003, USAID and the Shell Petroleum Development Corporation (SPDDC) signed a \$20 million memorandum of understanding (MOU) – the largest USAID partnership to date -- to develop projects in the Niger Delta, particularly in the areas of agriculture, malaria prevention and enterprise development. The first project to be funded under this MOU is the Cassava Enterprise Development Project (CEDP). In addition to the Mission's \$1.2 million investment in CEDP for 2003, Shell will contribute another \$3 million directly to the program. The USAID-Shell partnership also supports the Nigerian Presidential Cassava Initiative, under which the Federal Government, State governments, and the Niger Delta Development Corporation will contribute a combined \$17.1 million. The program will be focused in eight states of South

East and South South Nigeria and address three critical issues: (1) responding to the Cassava Mosaic Disease; (2) increasing cassava productivity; and (3) developing and expanding post-harvest options for cassava.

Major manufacturing enterprises, including Coca Cola and Guinness, have already contributed to USAID activities, in addition to the partnership with Shell. The Mission has sustained an on-going dialogue with the major oil companies, and provided them with technical assistance to design corporate social responsibility programs. Partnerships in the Niger Delta to combat HIV/AIDS, mitigate conflict, provide microfinance services, and contribute to environmental sustainability are under development.

A more expanded description of current USAID/Nigeria "Partnerships with the Private Sector" and the Mission's vision of "The Way Forward" for such partnerships can be found in Annex 5.

K. Scenario Planning

Given the political and economic uncertainty that characterize Nigeria, high levels of conflict and violent crime, and the pending elections in 2003, USAID/Nigeria proposed three illustrative program scenarios in the concept paper. These scenarios were approved at the parameters meeting, and the Mission was requested to elaborate on these scenarios in the CSP. Even though the elections have now been successfully concluded, with the population generally accepting the outcome, Nigeria remains a volatile country and the status quo can change at any time. The general strike called by the Nigerian Labour Congress in July 2003 in protest over increased petrol prices, the recurring violence in the Delta with the loss of over 50 lives in August 2003 alone, and failed states in the wider West African region are reminders that stability in Nigeria cannot be taken for granted. Over the longer term, as the HIV/AIDS epidemic continues to take its toll largely unchecked, the delivery of essential services will be weakened and direct impact on agricultural and industrial productivity will be felt, adding to the climate for unrest. The Mission has accordingly retained and elaborated the "Renewal from the Roots", "Crippled Giant", and "Things Fall Apart" scenarios presented in the Concept Paper.



Box 3: Illustrative Scenario Indicators

Illustrative Scenario Indicators

- HIV/AIDS pandemic
- Regional conflict
- Internal conflict
- Poverty
- Economic inequality
- Poor governance
- Unemployment
- Urban unrest
- Political assassinations
- Increasing visibility of the military

Renewal from the Roots: This democratic consolidation scenario is modeled on successful elections and continued progress in strengthening democratic institutions, economic performance, and service delivery. Promising signs that this scenario may hold include the government's declared intention to use resources generated by the petrol price increase to fund the social sectors, and the nomination of a stellar economic management team. The strategy was designed on the basis of this scenario. Full implementation of this scenario requires minimal resources of \$70 million per year, a base of \$65 million plus additional funds from Presidential and Agency Initiatives and Economic Support Funds. This is the scenario the Mission will use as its basis for program and budget planning.

Crippled Giant: This scenario is modeled on continuing transition and political uncertainty. Even though the 2003 elections provided a result that has the general acceptance of the public, any one or a combination of indicators could make it increasingly difficult for the new regime to govern. A case in point is the petrol price strike in July 2003, which essentially brought the country to a standstill for a week and also resulted in a number of fatalities amongst the protesters. The impact of the strike was felt hardest in the urban areas and the cities remain flashpoints for mass protest. Unresolved violent conflict, particularly in the Niger Delta states, is another reminder of the fragility of the civilian regime. If disruptive protests or conflicts recur and escalate to a level that impedes program implementation, the Mission will respond by redirecting resources to unaffected target areas and scaling up engagement with civil society, including national NGOs, community-based organizations, think tanks, and political parties. We would also continue to emphasize transparency and accountability in governance,

sound economic management, and improved service delivery in our dialogue with the GON. Flexibility and responsiveness will be crucial to adjust to what might well be rapidly-changing circumstances. The Mission's planning for this scenario is based on a program resource level of \$65 million per year. Under this scenario SOs11-13 will not receive "plus-up" Initiative resources. Funding for SO14 is not affected and remains at the high level in all three scenarios.

Things Fall Apart: Nigeria's political history since Independence demonstrates that a democratic collapse scenario, a total breakdown of law and order leading to ouster of the democratically-elected government, has the potential to occur. Any of the potential indicators of scenario change, singly or in combination, could precipitate such a collapse. In such a case the Mission would of necessity dramatically scale back its engagement with government and revert to a civil society based program such as prevailed prior to 1999, although at a substantially higher resource level of \$50 million per year. Since situations characterized by disorder and violence have grave implications for HIV/AIDS transmission, it would be imperative to continue the aggressive implementation of prevention, treatment, care and support interventions at the planned \$30 million+ annual level. In addition to HIV/AIDS, focus areas for a crisis program would include continued dialogue on key issues of democracy, representation and transparency with civil society partners and the GON, work to combat infectious diseases, community-level agricultural productivity and enterprise development activities, and humanitarian assistance if the situation deteriorates to the point that such assistance is required.

Building on the "early warning" system that has been established, the Mission will continue to monitor events and potential triggers. Conflict alone – unless occurring on a national scale – would not be a trigger for moving from one scenario to another. However, the impact of conflict on security and the ability to carry out activities in specific geographic areas would be a key determinant for adjusting scenarios.



V. SO11: Strengthened Foundations for Democratic Governance

A. Statement of the Strategic Objective

USAID/Nigeria's democracy, governance and conflict strategic objective is ***Strengthened Foundations for Democratic Governance***. This strategic objective reflects the continued fragility of democratic institutions in Nigeria. Just four years have elapsed since the 1999 democratic elections brought a new government into office, and both public and private institutions at all levels remain unpractised in democratic ways. Nigeria's prolonged years of military rule destroyed democratic institutions and structures and the country must restart the process of providing good governance to its growing population. Government is most legitimate when it is infused with democratic principles such as transparency, pluralism, citizen involvement in decision-making, representation, and accountability. It requires checks and balances, government oversight, public participation in the policy process, access to government information and an end to polarizing conflict. These conditions for good governance are at a very rudimentary stage in Nigeria's experience with democracy.

USAID/Nigeria's DG program was initiated in 1998 to assist the process of democratic transition in Nigeria. Assessments of the DG sector have revealed that USAID's Transition Strategy was too ambitious and did not take into account the low capacity of democratic institutions and structures in Nigeria, or the weak social environment for change. Although progress was made under the Mission's Transition Strategy, significant challenges lie ahead.

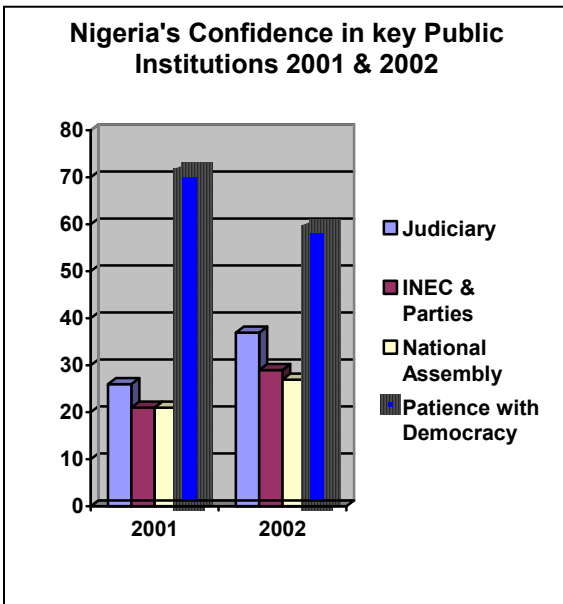
The May 2003 civilian to civilian political transition provides an opportunity for USAID's assistance to be particularly effective in Nigeria. In light of a dramatic 86 percent reduction in democracy and governance resources for the CSP as compared to the transition period, USAID will target critical institutions deemed fundamental to democracy. USAID's approach under the CSP will be to function as a catalyst to strengthen democratic foundations and practices in Nigeria. The approach will also focus on the key elements of democratic governance: (1) consensus, or agreement of the basic rules of the political game; (2) inclusion, or participation

by groups and citizens; (3) competition, or an effective balance between the branches and levels of government, civil society and electoral competitors; (4) adherence to the rule of law; and (5) good governance – accountable and effective governance that delivers public services. USAID's approach will also strengthen democratic governance by building the capacity of civil society to articulate its priorities and press for reform.

Building on experience gained under the Transition Strategy, which took the initial steps in establishing a foundation for democratic governance, USAID's primary focus will be to support these key elements, with the exception of rule of law, by enhancing the capacity of civil society to play a more active and productive role in the democratic and policy reform process, strengthening key democratic institutions such as national and selected state legislatures, and mitigating conflict. While elections are critical to consensus, USAID will not be able to assist in the next round of elections to be held in 2007 without a substantial allocation of Economic Support Funds. Achievement of the SO will be supported by **four Intermediate Results addressing civil society capacity; accountable GON institutions; credible elections (if provided with ESF resources); and conflict mitigation and management**. The SO is linked to two Agency goal areas: Democracy and Good Governance Strengthened; and Lives Saved, Suffering Reduced, and Conditions for Political and Economic Development Re-established.

Support for Democracy: There are encouraging signs that this time, democracy is here to stay in Nigeria. Although the actual conduct of the 2003 elections was flawed, violence was minimal and the results have been accepted. Members of the new Cabinet have been appointed on merit and key government institutions have adopted anti-corruption policies. Civil society has an increasing voice and has been brought into the process of developing a poverty reduction strategy. USAID-funded survey research has demonstrated the persistence of democratic commitment among Nigerians and the public's continued support for a democratic regime.

Figure 2: Nigeria's Confidence in key Public Institutions 2001 & 2002



Although data from the Afrobarometer and Nigerbus surveys show that there is a downward trend, there is still firm support for democracy as a system of government.⁴⁹ Nigerians' confidence in critical institutions has increased over the past year. The percentage of Nigerians who trust the courts "a lot" or "quite a lot" went up from 26 percent in 2001 to 37 percent in 2002, while over the same period confidence in political parties and the Independent National Electoral Commission increased from 21 percent to 29 percent. A comparable increase in trust has also been documented for the National Assembly (21 percent in 2001, 27 percent in 2002).⁵⁰ While Nigerians acknowledge that they have a troubled political system, they continue to value the ideals of a democratic government. This is a noteworthy source of strength for creating demand for reform in the coming years.

B. Statement of the Development Problem

Although the national elections in April-May 2003 that culminated in the second successive elected civilian administration were a landmark in Nigerian politics, the country remains in a state of transition. When the democratically-elected government first came into power in 1999, it inherited a challenging political legacy. Predecessor regimes institutionalized substantial shortcomings in governance. Both

military and civilian regimes failed to provide key public functions and services. Poor democratic governance is the major problem threatening to erode the legitimacy of Nigeria's government. Endemic corruption, lack of accountability, ineffectual public agencies, haphazard services, and violent conflict converge to undermine potential progress. Constraints to democratic governance are discussed below. These constraints are further undermined by historic ethnic and religious violence and lack of support for basic human rights

Consensus: Although there are hopeful signs that the administration is prepared to deal openly and firmly with key governance issues that face the country, the core problems are sizeable. The Federal structure of the government, which centralizes and redistributes resources, make the possession of political power extremely lucrative, and the competition for political positions intense. Aging political elites are still firmly entrenched in both traditional and modern political structures, excluding large numbers of citizens from meaningful political or even public participation. Women, young people, and the poor are particularly disadvantaged in their capacity to participate in political processes. There is little incentive or opportunity for change in the system, as dominant executive control at the Federal level "reinforces the power of patronage, and hinders the emergence of checks and balances on the power of central leaders."⁵¹ The situation is replicated at State level, with the Governors controlling the allocation of resources and privilege. Although 30 political parties are now registered and participated in the elections, only five gained any seats in the National Assembly and the body remains dominated by just two parties. Many of the parties represent local rather than national agendas and rely extensively on the cult of personality to attract support. The parties need strengthening in order to open up meaningful political space and enlarge the arena of competition. They also need to do more to foster the inclusion and participation of women, youth and minorities in political processes.

Although the 2003 elections took place without the widespread violence that had been predicted and feared by many, they were marred by procedural flaws, voting irregularities, voter intimidation, and fraud.⁵² In the eyes of many Nigerians, these irregularities compromised the



integrity of the electoral process. Despite approximately 70 percent turnover of elected officials in the new legislatures at both national and state levels, an op-ed piece in the Nigerian *Daily Times* begins, "Everything has changed, yet nothing has changed."⁵³ Nonetheless there are positive signs in that defeated candidates and their supporters have chosen to resolve their disputes in the courts, rather than by resorting to violence, and that the mass of Nigerians has accepted the election results and appears to be prepared to work with, rather than against, the new government.

Inclusion: Civil society in Nigeria was repressed under decades of military dictatorship, but the improvement in the climate for human rights and freedom of association during the democratic transition has contributed to the emergence of active civil society organizations over the past several years. While there is no comprehensive catalog of CSOs in Nigeria, thousands are legally registered and many more exist without having gone through the formality of registration. A vibrant and active civil society is a fundamental component of a democratic system, articulating society's demand for change, reform and accountability and acting as a watchdog over governmental institutions and actions. The general strike in July 2003 called by the Nigerian Labor Congress to protest an 80 percent increase in the retail price of petrol was effective in forcing the government to compromise. CSOs are a crucial component of a democratic society, but these organizations remain very weak in Nigeria. Extensive efforts in capacity enhancement at all levels are required to build key advocacy and oversight skills so that civil society can engage meaningfully with the government and bring about desired reforms.

Competition: Most of the democratic government's early initiatives in the 1999-2003 period stalled as a result of legislative opposition, competition and contention from various interest groups, and lack of sustained attention from the administration. Problems of representation and accountability emerged as the National Assembly appeared more interested in perquisites of office and infighting than in addressing important public concerns, while the executive appeared to many as aloof, arrogant, and ineffectual. Many of the least desirable characteristics of civilian politics were on display, including crude appeals to

communalism, widespread use of patronage politics, corruption from top to bottom, and factional disputes among key personalities and their allies.

Law-making bodies at both State and national levels are unclear on their mandates and do not function to effectively regulate or balance the powers of the executive. Although showing incipient signs of independence, the majority of legislators are new to the job and have no previous experience representing their constituencies, shaping policy, drafting legislation, or exercising oversight of government functions. The majority of the incumbents elected to the National Assembly (NA) in 1999 were not re-elected, many of them having been eliminated from contention during the party primaries, and the skills that they might have gained during their four years in office are lost to the body. Of the NA's 469 members only 22 are women, fewer than six percent of the total. Special attention must be given to building the capacity of these women legislators to represent a broad platform of gender-sensitive interests in the legislature.

Competition over resources is a signal problem in Nigeria which leads to sporadic conflict. A Strategic Conflict Assessment commissioned by the donor community and conducted by the Institute for Peace and Conflict Resolution (IPCR) analyzed the causes of conflict in each of the six geopolitical zones and identified multiple conflict "triggers", including competition over scarce or contested resources, unemployment and poverty, ethnic, religious, and/or regional differences, human rights abuses, and elections, boundary disputes, creation of Local Government, migration, internal displacement, and changes introduced by development projects.⁵⁴ The ongoing eruptions of violence also reflect stubborn problems of identity and national unity, as Nigerians seek a common ground for governance and social accord. These problems of identity and accommodation are key to understanding how violence can be triggered. Over the past three years, an estimated 10,000 people have died in at least 50 incidents of violence around the country. The prevalence of conflict and its devastating social and economic consequences require a proactive response. Many of the long-term causes of violence – economic stagnation and decline, competition over natural resources, inequitable access to social services, lack of transparency and



accountability – are already key concerns of the development community and the Nigerian government.

Rule of Law: A major challenge facing Nigeria's civilian government is how to reshape or replace the former lawless autocracy, with a regime of law. The issue of constitutional change lies at the heart of this matter. It is generally recognized that the 1999 constitution formulated by the military forms a questionable basis for establishing a regime where government operates within the rule of law. Outstanding issues include separation of powers and jurisdiction between and among the tiers of government, the adoption of uniform civil and criminal codes, electoral law, citizens' fundamental rights, and revenue allocation. The issue of a parallel system of Shari'a law, however, is among the greatest challenges for legal development and reform.

Nigeria has one of the largest Muslim populations in the world, estimated at 65-70 million, concentrated in the north of the country. In October 1999, the Northern Nigerian state of Zamfara introduced Muslim religious or Shari'a law and began developing structures to implement Shari'a statutes. Eleven other northern states soon followed suit. The Shari'a courts that have been established in the north impose strict punishments, including amputations and death by stoning for transgressions such as theft and adultery. Human rights groups have complained that such religious laws are archaic and unjust, and create an atmosphere of intimidation against Christians, even though Christians are not subject to Shari'a. Following protests from around the world, sentences of death by stoning have not been carried out, but the possibility remains. Tension between Shari'a and civil courts will remain a major challenge for Nigeria for some time to come.

Nigeria is one of eight West African countries that fail to meet minimum standards to combat trafficking under the USG Victims of Trafficking and Violence Protection Act of 2000. Trafficking in persons has become a serious human rights violation in Nigeria, with an estimated 500,000 women trafficked to Europe as sex workers over the past five years.⁵⁵ To address non-compliance, in 2003, President Obasanjo signed the "National Trafficking in Persons Law Enforcement and Administration Act", which

calls for harsh punishment for offenders. The Government also created an inter-agency committee to coordinate federal assistance to victims repatriated to Nigeria. Crucial next steps are the identification of socio-economic alternatives to trafficking both for trafficked persons and those who exploit them, and public awareness campaigns to alert potential victims and their family members to the problem and alternatives to trafficking.

Good Governance: Corruption and illicit rent-seeking are deeply entrenched in Nigeria, the product of weaknesses in the political system and patterns of political culture that developed over a century of colonialism and subsequent decades of military rule. A recent analysis of the corruption problem concluded that "...reducing corruption to manageable levels will take many years of dramatic change and inspired leadership."⁵⁶ Since 1998, Nigeria has not gained ground in its standing in Transparency International's Corruption Perceptions Index, being consistently ranked as the second most corrupt country out of 102 surveyed, surpassed only by Bangladesh.⁵⁷ A USAID-funded public opinion survey on corruption found that 84 percent of citizens and 70 percent of private sector interests polled had paid "irregular gratification to public officials to obtain services".⁵⁸ Only unemployment is perceived by citizens as a more significant threat to the country's stability and future progress than endemic corruption. During his first term in office President Obasanjo took the initial steps in fighting corruption by establishing the Independent Corrupt Practices Commission (ICPC) and his vision and support have been crucial. During his second-term inaugural address, President Obasanjo indicated that anti-corruption will be a leading priority, starting with civil service reform and a "Publish What You Pay" initiative for the oil industry. As he grows increasingly concerned with his "legacy" in office, he will doubtless be looking to entrench his anti-corruption initiatives in the system, and may well be supportive of activities to augment those gains. His influence may also help open the National Assembly to additional anti-corruption legislation, such as the Freedom of Information Act and the Whistleblower Bill.



C. USAID Achievements and Comparative Advantage

USAID/Nigeria's democracy and governance strategic objective in the 1999-2003 Transition Strategy was "Transition to Democratic Civilian Governance Sustained". The SO set extremely ambitious targets that underestimated the very low capacity for democratic governance at all levels of Nigerian society that was the product of decades of neglect. The Mission received significant resources, both DA and ESF, to implement a wide range of activities under the D/G program in order to address a number of interlocking impediments to democratic transition in Nigeria. Despite the challenging environment, important progress has been made in several institutional arenas including legislatures, electoral administration, and the judiciary. Non-governmental organizations supported by USAID have played significant roles in setting legislative agendas, managing conflicts and exercising oversight of government at all levels.

Political Party Development: Nigeria remains a divided society highly prone to polarization and political conflict. USAID endeavored to build consensus by encouraging political parties to embrace peaceful competition, bargaining and negotiation. Technical assistance improved campaign planning, communications, polling, resource mobilization and voter outreach and permitted two associations to be registered as parties. USAID also promoted dialogue on issues underlying electoral violence and its prevention.

Civil Society: Civil society organizations are continuing to increase their participation in policy dialogue, government oversight, conflict mitigation and mobilization. USAID-supported CSOs expanded their networks and doubled their advocacy outreach as measured by number of contacts made. USAID's support for greater inclusion of women in politics encouraged six parties to exempt women from payment of nomination fees. USAID's work to enhance legislative advocacy on key women's rights issues has given women legal protection from expropriation of property and domestic abuse.

Conflict: Over the past four years USAID/Nigeria has invested approximately \$3.2 million in conflict management and mitigation activities. The Mission has supported post-conflict reconciliation activities, election monitoring training with a special focus on election-related violence, and conflict early warning. Training and sensitization of community and opinion leaders, eminent persons groups, youth and other vulnerable groups, and faith-based organizations helped to establish the Conflict Resolution Network (CRESNET) and Inter-Faith Peace Dialogue bringing together Muslims and Christians to resolve conflict. The Basketball for Peace (BB4P) program has targeted violence-prone youth and defused electoral and ethnic violence.

Elections: Free and fair elections are the core of political competition. USAID's technical assistance to improve Nigeria's electoral process has focused on strengthening electoral commissions at all levels, professionalizing political parties, and training polling agents and election monitors. Technical support to INEC contributed to the eventual passage of the Electoral Act 2002 and the development of draft guidelines for political party consultation. USAID assistance provided a unique National Information Center (NIC) to civil society organizations for "real time" data transmission from nearly 12,000 domestic monitors, providing a nationwide snapshot of election trends and also identifying trouble spots. Parties and political associations conducted credible campaigns, and two associations supported by USAID were successfully registered as parties. Parties and CSOs worked together to curb electoral violence.

Legislative strengthening: The USAID program worked with the National Assembly and selected state assemblies to instill principles of good governance. Legislators were enabled to draft legislation addressing key development priorities, and pass it into law. They were also introduced to information technology through a USAID-supported computer resource center. The National Assembly program also afforded an opportunity to provide HIV/AIDS awareness training to legislators, staff, and constituents.

Judiciary: Increasing ownership of the judicial reform process in three USAID-assisted courts was demonstrated by voluntary cost sharing. In Lagos, for example, the court donated space to



establish an alternative dispute resolution center, and other courts have purchased computers and other technology with their own funds. More importantly, the Nigerian Bar Association has documented improved case management in the assisted courts, and the National Assembly has responded by approving increased budget allocations for the judicial sector.

Over the past four years, USAID/Nigeria has established itself as the lead donor in the democracy and governance sector and has demonstrated its credibility and comparative advantage in its civil society, National Assembly, elections and conflict mitigation work. Given dramatically reduced resource levels for the sector under the new strategy, and the need for a more focused program, these four elements will constitute the core of the SO11 strategy.

D. Consultative Process

Key democracy and governance sector assessments considered central to helping the Mission to identify issues for the new strategy were commissioned as the first step in the strategy development process. These include a nationwide multi-donor strategic conflict assessment, a media impact assessment, evaluation of the legislature and election activities, an anti-corruption assessment, and a broad democracy and governance sector assessment. A synopsis of these assessments was factored into the agenda of meetings with stakeholders. The meetings had representation from multi-national agencies, civil society organization activists, human rights groups, and officers of the National Planning Commission (NPC), Independent National Electoral Commission (INEC), the Institute for Peace and Conflict Resolution (IPCR), and the private sector. The SO11 team also had intensive interaction with the Washington-based virtual team members who provided invaluable insights and guidance into the strategy process.

The assessments identified six fundamental issues central to Nigeria's new democracy: social conflict and violence, constitutional change, elections and accountability, corruption, civil-military relations and the economy. The stakeholder consultations reinforced all issue areas identified by the assessments as critical to democratic progress.

Specific recommendations from the consultations include:

- Programs must address pre- and post election issues, particularly conflict;
- Civil society organisations and NGOs need capacity strengthening to enable them take up proactive oversight roles to address accountability, transparency and responsiveness. Non-traditional partners such as cooperatives, professional associations and producer organizations will ensure wider reach, greater program impact, cost effectiveness and sustainability of interventions;
- Greater interaction between public office holders and their respective constituencies should be facilitated, given the high level of ignorance about the activities of public office holders, particularly the legislature;
- Public-private partnerships that bring together the government, civil society, the organized private sector and NGOs are essential to achieving results, particularly given the declining resource envelope.

E. Development Hypothesis and Strategic Objective

USAID's experience during the four-year Transition Strategy, and the results of assessments and evaluations undertaken by the Mission, provide the basis of the Mission's strategy to focus on democratic governance. The strategy will address four of the five elements of democratic governance: consensus, competition, inclusion, and good governance. Due to significantly reduced resources for this strategic objective over the previous strategy period, the Mission will no longer support rule of law activities in Nigeria. The development hypothesis underlying SO11, **Strengthened Foundations for Democratic Governance**, is that an improved environment for democratic governance is critical for economic growth and development. This can be achieved through a combined catalytic and integrated approach to improving civil society advocacy to build constituencies for targeted public policy reforms; improving processes for policy and legislative reforms within selected government institutions; supporting transparent and credible elections; and strengthening the capacity of both civil society and government for



conflict mitigation and management. Continued electoral reform is critical and is presented as a separate intermediate result due to the need for significant levels of Economic Support Funds to achieve results.

Civil Society Awareness, Advocacy and Empowerment: The existence of a lively and active civil society with capacity for increased participation in the policy making process through advocacy will contribute to the democratic process in Nigeria by promoting good governance, ensuring inclusion for marginalized groups and populations, particularly women and youth, by fostering consensus around commonly-agreed upon societal goals, and by demanding that leaders abide by the rule of law. Civil society will work to promote greater openness, accountability and transparency at all levels of government. That civil society should remain a core emphasis in the new strategy is best indicated by lessons learned during the Transition Strategy. Many public officials still respond to a set of incentives that emphasizes patronage and leads to corruption and misuse of resources. In order to change these incentives, continued emphasis must be placed on improving the ability of the public to hold leaders accountable through increased and more effective participation in governance. Over the past four years, the civil society sector has demonstrated that it has the potential to serve as an agent of change in Nigeria. SO11 will build on this foundation. Focal areas for civil society engagement may include key public policies focused on economic governance such as budget policy and process, revenue allocation formulas, social sector reform, and anti-corruption, anti-trafficking, women's empowerment and other critical policy issues.

USAID's previous experience, as well as that gained by the U.S. Embassy under its program with the Independent Corruption Practices and Other Related Offences Commission (ICPC) and that achieved by the Mission under its other anti-corruption initiatives, particularly those carried out with the judiciary, will be used to strengthen civil society organizations to promote greater transparency and accountability in the area of policy reform in targeted institutions. In this regard, USAID will target both the critical points of progress within the Nigerian government and the positive efforts emanating from civil society. Given the focus of DfID on the ICPC and of the

World Bank on the Federal Ministry of Finance, and considering USAID's comparative advantage and experience in supporting Nigerian civil society groups, civil society will be the primary focus of SO 11 anti-corruption assistance.

Accountable Institutions: The SO11 strategy also recognizes the importance of working to strengthen the capacity of selected governance institutions, including key committees of the National Assembly, their members and their permanent staff. On one hand this will bring about improvements in specific technical areas such as legal drafting, budget preparation and analysis, and management of relations with civil society and constituencies. SO11 will foster dialogue within the legislatures and between these institutions and civil society to reform policies and enact laws addressing key cross cutting issues and specific sectoral concerns such as HIV/AIDS, Universal Basic Education (UBE) and agricultural policies. Since good governance in Nigeria is also undermined by rampant corruption, USAID will work with both civil society and selected government agencies to address corruption, building on achievements under the Transition Strategy. USAID will create linkages between civil society organizations and government Institutions such as legislatures, the Auditor General and the Accountant General to foster greater transparency and accountability.

Credible Elections: Holding free, fair and transparent elections is the first step in establishing democratic governance. Nigeria's capacity in this regard has improved only marginally over the past four years and although the results of the 2003 elections were generally accepted, the process was seriously flawed. ***If provided with requested ESF resources,*** USAID will employ a two-pronged approach of strengthening the capacity of the Independent National Electoral Commission (INEC) to manage and administer elections, and civil society groups to conduct civic and electoral education, monitor adherence to election timetable and activities by electoral bodies, advocate for electoral reforms through appropriate legislation, and monitor party primaries and campaigns to ensure fairness. While initial work in this area can be started using funds carried over from transition strategy activities, the Mission has requested substantial ESF resources beginning in FY 2005 (or earlier) to



continue these activities and to support free and fair elections in Nigeria in 2007. With this ESF funding, the Mission will step up its elections assistance program, particularly in the areas of elections administration, voter and civic education, international and domestic election observation, election information management, support for political parties, and increased participation by women.

Conflict Management and Mitigation: Conflict in Nigeria is symptomatic of a lack of consensus, a sense of exclusion, and disregard of the rule of law by both government and private individuals. The government's capacity for managing conflicts is weak. When conflicts erupt, the inability of the police to maintain order leads to deployment of the military, in its turn often leading to serious human rights violations. The failure of government to establish basic security and stability, as well as the increased visibility of the military in the management of domestic conflicts, is a major source of popular discontent, and a liability for democratic legitimacy.

Over the next five years, SO11 will work to reduce conflicts in targeted states by increasing the capacity of government institutions, civil society, political parties, and other stakeholders to prevent, manage and mitigate the impacts of conflict. SO11 will respond to episodes of violence by supporting the efforts of community based organizations to redress grievances, mediate disputes, and restore social harmony. At the same time, the program will take a more proactive, peace-building approach that seeks to develop cross-cultural and inter-religious awareness and sensitivity, through public education and participatory community development projects, including youth-focused activities. A large population of unemployed and underemployed young people – an estimated 33 million Nigerians are between the ages of 15 and 29 years⁵⁹ – increases the risk of conflict and violence in Nigerian society. In conjunction with SO12, the SO11 strategy will seek ways to increase social participation, promote responsible citizenship, and provide gainful employment to Nigerian youth as alternatives to violence. As part of the overall approach to dealing with conflict and violence, the SO11 strategy will also address the situation of victims of trafficking in persons, both women trafficked for sexual purposes and children abducted or sold into labor. Because there is an

acute shortage of rehabilitation and reintegration options for returning victims of trafficking and at-risk girls, i.e., access to HIV/AIDS education, medical and psychosocial care, and income-generating and educational opportunities, SO 11 will work with international and local organizations to reduce the number of trafficking incidents and provide alternative income-generating opportunities for returned victims and at-risk youth.

Illustrative Indicators for SO11:

- Level of public confidence in democracy and democratic institutions;
- Client satisfaction with selected public services.

F. Critical Assumptions

- 2003 elections results continue to be accepted;
- Communal conflict will continue to occur at current levels;
- Corruption will remain a core governance issue;
- Critical reforms (especially addressing accountability and participation) will be implemented.

G. Intermediate Results

IR 11.1: Increased Civic Awareness, Advocacy, and Empowerment

The strengthening of democracy requires greater demand for consensus building, inclusion of all groups and good governance by Nigerian citizens. Increasing capacity and effectiveness of civil society to hold public officials accountable, to express their preferences, engage in policy dialogue, influence public policies and their implementations will not only enhance confidence in democracy but strengthen foundations of democracy. Work in this area will build on current support for civil society by increasing its involvement in the formulation and implementation of key policy issues. The Mission's longstanding focus on women's empowerment will foster the substantial representation of women-focused organizations in civil society capacity building.



Illustrative Indicators:

- Civil society input reflected in target policies;
- Civil society advocacy capacity index;
- Number of organizations advancing human rights issues;
- Individuals trained to become self-reliant.

Illustrative Activities:

- Train DG, health, HIV/AIDS, environment, agricultural CSOs to advocate for policy reform and accountable governance;
- Support institutional capacity building initiatives;
- Integrate media interventions with advocacy activities;
- Promote activities that empower women;
- Promote linkages between civil society, legislative, election and anti-corruption institutions.

IR 11.2: Increased Accountability of Key Institutions

Positive disposition of government institutions to accountability and increased openness in government transactions is indicative of the improved capacity of democratic institutions. Broadening consultations demonstrates improved institutional capacity. Increased accountability will reduce the corruption that has undermined delivery of public services. As an entity whose members are elected by the public to represent their interests, the National Assembly is a key focal point for building greater transparency and accountability. In promoting accountability, efforts will be made to build more permanent linkages between the National Assembly and key civil society organizations. Other anti-corruption “arms” of government such as the ICPC and the Budget Monitoring and Price Intelligence Unit (BMPI) will also be targeted.

Illustrative Indicators:

- Number of corrupt public official prosecuted;
- Citizen awareness of public officials’ roles and responsibilities;

- Budgetary allocations in targeted sectors.

Illustrative Activities:

- Capacity building for select committees;
- Training for permanent National Assembly professional staff;
- Co-fund policy reform activities with other USAID SO teams;
- Promote constituency outreach by legislators.

IR 11.3: Enhanced Credibility of Electoral Processes

Elections that are not credible are a source of conflict which can destabilize the foundations of democracy. The 2003 elections were held without the anticipated widespread violence; however, there were reported cases of electoral irregularities and procedural flaws. These issues if ignored could destabilize the country’s democratic journey, reverse the successes that have been made and undermine the next set of elections scheduled for 2007. It is critical that civil society be engaged in the processes of elections and peace building as well as addressing the underlying political, social and legal challenges to sustained democratic governance, such as constitutional reform, transparency and accountability which have implications for credibility of elections. ESF resources will be required to achieve this intermediate result.

Illustrative Indicators:

- Number and percentage of voters correctly registered;
- Number of reported election irregularities OR number of reported infractions of election regulations.

Illustrative Activities:

- Post elections assessment - learning lessons (with other donors);
- Electoral law reform;
- Basic Electoral Administration Training for SIECS;
- Political party capacity building, including women politicians;
- Domestic monitoring training;
- Technical assistance to INEC.



IR 11.4: Strengthened Capacity for Conflict Management

Conflict threatens the foundations of democracy. Community based conflicts ignited by competition over scarce resources, religious differences, ethnic and tribal differences, access to land and the manner in which people deal with their differences including establishing militias, independent security forces or vigilante groups undermine community cohesiveness and freedoms. Strengthening the capacity of civil society and selected government institutions to manage conflict will help establish a peaceful environment to advance democratic governance. One of the weaknesses of current efforts is that there are a great number of individuals who facilitate dialogue but there are too few organizations. USAID's support will build the capacity of civil society and government entities to mediate conflict and institute conflict avoidance and peace maintenance mechanisms.

Illustrative Indicators:

- number of assisted CSOs taking action to mitigate conflict;
- number of civil society organizations with improved conflict management skills;
- number of conflict interventions implemented by IPCR.

Illustrative Activities:

- Build the capacity of IPCR and CSOs working in conflict management;
- Support the initiatives of faith-based organizations;
- Support youth activities that help to minimize conflict in Northern Nigeria and the Niger Delta;
- Continue existing conflict management activities that address ethnic/religious, land tenure, resource allocation conflicts under the new strategy.

H. Geographical Focus

With an anticipated resource envelope of just over \$3 million per year, even supplemented by Initiative funds, SO11's program cannot be national in scope. The team accordingly

developed a set of selection criteria to assist it in the process of defining highest-priority states for intervention.

Box 4: Criteria for Geographical Targeting

Critical need
Opportunities for synergy with other SOs
Opportunity to address crosscutting issues
Presence of other donors
Ability to build on past investments
US national interest
Potential to achieve results and impact
Population coverage
USAID comparative advantage
Opportunity for scaling-up and sustainability

Using these criteria, Kano, Lagos, Delta, Rivers and Plateau States will be targeted under the SO11 program. These states have a total population of more than 30 million, and reflect a broad cross section of Nigeria's religious and ethnic diversity. Investments made under the Transition Strategy provide a foundation for achieving higher levels of impact. These states are also conflict "hotspots" where engagement with youth and civil society has very high potential payoffs.

I. Cross Cutting and Converging Themes

Gender: SO11 made considerable efforts in the Transition Strategy to address gender issues, particularly in the areas of women's human rights and participation in socio-economic and political activities. In the new strategy, work with women's groups to promote increased participation in the electoral process will continue. Networking of women groups will also be promoted to facilitate exchange of vital information for greater participation in political process and to help build constituency bases. SO 11's new focus on youth and conflict will primarily target young urban males to increase social participation, promote responsible citizenship, and provide gainful employment to Nigerian youth as alternatives to violence.

Food Security: Sporadic localized conflict in Nigeria impacts on food production and other activities in the agricultural sector, and also disrupts non-agricultural income-generating activities that contribute to household food security. Conflicts have resulted in population displacement and rural-urban migration that includes fleeing farmers who had to leave their farmlands in search of security in nearby cities.



To the extent possible, SO11 will address conflict in food-insecure settings. SO 11 will also support the work of civil society advocacy organizations that push for transparency and accountability as well as economic policy reform.

Conflict: Conflict mitigation and management is a key intermediate result for SO11. The team has already designed a youth-focused conflict prevention activity to be implemented in States in the Northwest and the Niger Delta with histories of ongoing conflict involving youth. In addition, the Mission will link civil society with government institutions and the private sector to jointly carry out peace building and conflict management activities in areas where stability and security would generate jobs and private sector investment.

Environment: SO11 will help to build the capacity of civil society organizations and NGOs to improve their advocacy skills to engage the government for policy reforms that will help to improve the environment. Since many conflicts stem at least in part from competition over scarce or contested resources, SO 11 will also implement conflict management activities in target states to mitigate such resource-based conflicts.

HIV/AIDS: SO11 will implement several approaches to mitigating the impact of HIV/AIDS. PLWHA are objects of stigma and discrimination and civil society dialogue will address the human rights concerns that affect them. HIV transmission is also exacerbated by conflict, so conflict management and prevention efforts will have an impact on reducing transmission. SO11 will also continue to sensitize the National Assembly on the rights of PLWHA and the long term impact of the epidemic.

Transparency: SO 11 will work with target civil society groups and organizations such as the Independent Corrupt Practices Commission, the Independent Nigerian Elections Commission, political parties, trade unions, and professional organizations to promote transparency, accountability and openness. SO 11 will support activities that will increase the capacity of government and civil society in areas such as budget preparations, procurement, and operational procedures.

Global Development Alliances and Other Partnerships: In March 2003, the Mission began a pilot conflict mitigation activity that engaged youth between the ages of 14 and 18 to participate in Basketball for Peace (BB4P) tournaments, with support from the U. S. Embassy, Coca Cola, and other private sector partners. The program was highly successful and in response to popular demand it will be expanded to additional states where young people have been instrumental in recent episodes of violent conflict. USAID/Nigeria and the US Embassy are currently in discussion with Shell Oil Company, Nigeria about providing assistance for this project. Senior management in Shell have expressed interest in collaboration with USAID/Nigeria on this project. The existing collaboration with Coca Cola and other private sector partners is expected to continue.

J. Linkages

- With other SOs in strategy

SO12: SO11 and SO12 will collaborate in the areas of agriculture, environment, conflict, anti-corruption, and civil society assistance. SO11's conflict management activities will be implemented jointly with SO12 programs to diversify economic opportunity through provision of micro-credit, agriculture and small scale enterprises to help generate jobs for youth. Programs will aim to reduce the recruitment of youth as vigilantes or militias by providing economic alternatives. SO11 and SO 12 will work closely with the private sector and economic associations because they have a vested interest in helping to keep the peace and are able to bring pressure on local and national government officials in a different manner than traditional peace-building NGOs.

SO13 and 14: SO 11 will work with the social services (SO 13) and HIV/AIDS (SO 14) teams to identify opportunities to use their health and education activities as entry points for dialogue in areas experiencing violence. Health interventions, such as national immunization days (NIDs) have been undertaken successfully in conflict-prone societies and have even served to open avenues for peacebuilding. As with economic growth activities, efforts will be made to develop ways to engage at-risk youths in health and education promotion activities as well as conflict mitigation. Recognizing that conflict situations increase vulnerability to HIV



transmission, SO11 and SO14 will develop joint programs to increase awareness of risk and empower young people, particularly women, to protect themselves.

- With Agency/Presidential Initiatives and regional programs

Trafficking in Persons: USAID/Nigeria received funds in FY 2002 and FY 2003 to support anti-trafficking initiatives. The Nigerian government has been responsive to comply with both USG and United Nations legislation and guidance on trafficking in persons. The USG's short and long-term Anti-TIP Policy (protection, prosecution, and prevention) will include public and private diplomacy, engagement with ECOWAS and other regional organizations, and collaboration with other donors to combat forced child labor and the commercial sex trafficking of girls and women (largely from Nigeria).

AFR Conflict and Peacebuilding Fund: With funding received from the Conflict and Peacebuilding Fund, the Mission will support the conflict mitigation objectives of the Africa Bureau through a program that will reduce conflict in target states in the north and in the Niger Delta. This youth-focused program will emphasize social participation, responsible citizenship, and gainful employment as alternatives to violence. Corporate partners will also provide funding for the program.

- With GON initiatives

IPCR: The Institute for Peace and Conflict Resolution (IPCR) was established by the late military dictator Sani Abacha during the 1990s and is housed in the Presidency. President Obasanjo has been very supportive of the goals of IPCR and in 2002 commissioned them to carry out a Strategic Conflict Assessment in Nigeria. Key donors, including USAID, collaborated in this assessment and in the development of a National Action Plan (NAP) for conflict mitigation, management and prevention. USAID participates on several sub-committees created under the action plan and will continue to build the capacity of the IPCR, civil society, political parties, and other stakeholders to help reduce violent conflicts in Nigeria.

- With other donors

Donor coordination: Funding for programs in the Democracy and Governance sector comes from diverse sectors of the donor community. USAID has been a lead donor in the sector. USAID co-chairs along with United Nations Development Program (UNDP) the donors Democracy and Governance group and actively participates in working groups on civil society, rule of law, conflict, legislative assistance and elections.

The British Department for International Development (DfID), the Canadian International Development Agency (CIDA) and the World Bank are providing support to the judiciary, conflict mitigation, and legislative strengthening at state level. They are also involved in civic education related to human rights and election issues. More specifically DfID's program has been committed to building up local capacities to drive forward the economic reform and good governance program of the GON. Their three areas of focus are supporting federal government reforms, state governments, and HIV/AIDS. The support for federal government reforms targets poverty reduction through improvements in health, education, rural water supply and access to justice particularly for the poor and anti corruption. The Delegation of the European Commission is promoting human rights through collaboration with Nigerian civil society organizations covering legal reforms, human rights, conflict prevention and management and women's empowerment. The World Bank has a governance and corruption project at the state level and is involved in the assessment of financial management and procurement at the Federal Ministry of Finance.

A number of other bilateral and multilateral donors as well as private foundations are providing support to civil society organizations, including the Ford Foundation, the MacArthur Foundation, OSIWA Foundation, the Packard Foundation and the Bill and Melinda Gates Foundation. These foundations have been involved in legal and constitutional reforms, elections and electoral reforms, anti corruption and CSO capacity building. German foundations, including the Friedrich Ebert Stiftung and Konrad Adenauer, work mainly in the area of civic education.

It is expected that USAID in collaboration with DFID, the EU, CIDA, UNDP and other donors will provide assistance for Nigeria's 2007 elections. UNDP, DfID, The World Bank and EU

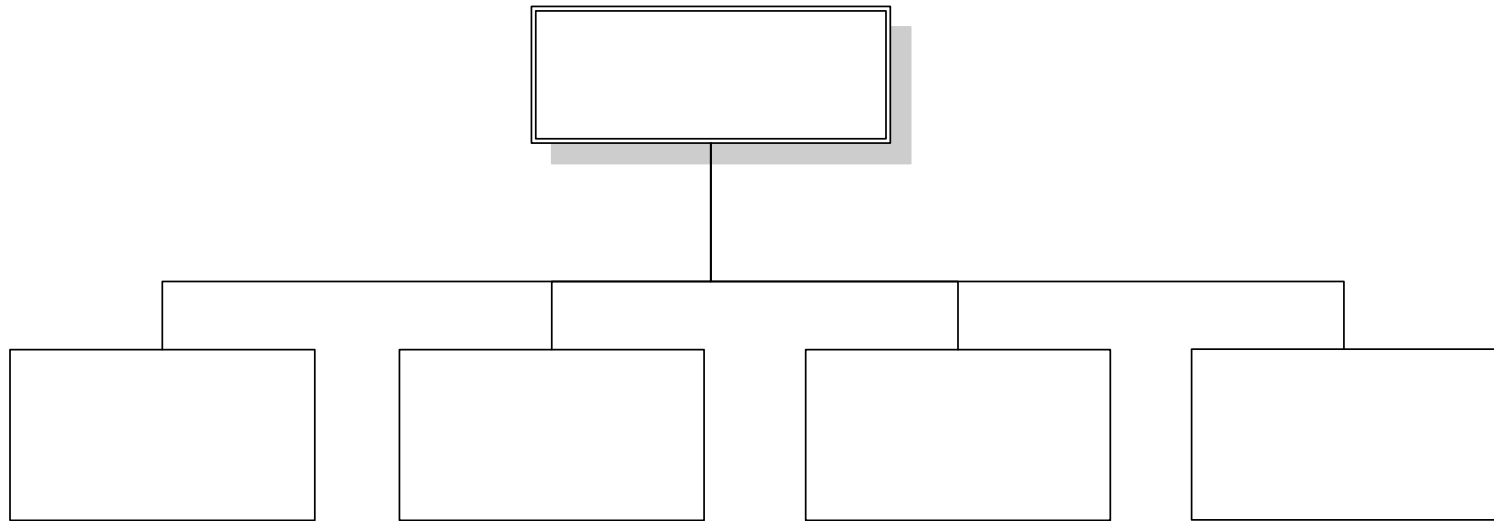


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have also shown interest in continuing and in some cases expanding their work with the judiciary; USAID will therefore drastically reduce its commitment to this sector. USAID will however continue to collaborate with all the donors in its civil society and conflict mitigation programs, and ensure that its program complements rather than duplicates other donor efforts.



K. Results Framework





VI SO12: Improved Livelihoods in Selected Areas

A. Statement of the Strategic Objective

SO12, Improved Livelihoods in Selected Areas, will address core problems of low productivity, lack of competitiveness, an inconsistent policy framework, and an unfavorable environment for investment and enterprise development that are stifling the Nigerian economy. The SO will identify key agricultural commodities and other products to enhance their competitiveness, productivity, and commercial potential. Farmers and micro, small and medium entrepreneurs in selected geographical areas will be the targeted beneficiaries. Farmers will improve productivity and increase net incomes through greater access to improved inputs, processing technologies, and marketing options provided through commercial agribusinesses and producer associations. The SO will promote environmentally-sound agricultural production technologies to stem expansion of cultivation into fragile dry lands and tropical forests. Input suppliers and processors will expand their activities through improved technical and management skills. A growing number of self-sustaining microfinance institutions and an increasingly sophisticated financial system will offer small businesses and consumers an increased range of financial services, including loans and savings options. More use will be made of improved agricultural inputs, and technologies to transform and add value to selected commodities and products will be disseminated. Policy reform efforts will target issues such as agricultural input supply, accountable government procedures, best practice in the delivery of financial services, and a more favorable investment climate. USAID's resources for this SO are very limited, particularly relative to the size and complexity of Nigeria. SO12 will therefore seek to influence government policy and resource allocation, and provide targeted assistance to increase farmer access to improved technologies, inputs and markets through the private sector.

The SO will be achieved through four intermediate results: **improved productivity of selected commodities and products; increased value-added of selected commodities and products; increased commercialization of selected commodities**

and products; and an improved policy environment. The integration of agricultural productivity, market opportunities, value-adding processing, business development and financial services, as well as policy reform, is crucial, given multiple weaknesses and lukewarm support for the organized private sector. SO12 will also exploit opportunities to link its interventions with those of other SOs and other development partners to achieve synergies and leverage efforts in such areas as budget reform, rural finance, and the fight against corruption. The SO will address two Agency goals: Broad-based Economic Growth and Agricultural Development Encouraged; and The World's Environment Protected for Long-term Sustainability.

B. Statement of the Development Problem

The Nigerian bureaucracy runs on oil. Crude petroleum exports account for 95 percent of foreign exchange earnings and over 80 percent of the Federal budget, the bulk of which is expended on civil service salaries.⁶⁰ The petroleum sector is, however, capital rather than labor-intensive and provides employment to less than one percent of Nigerians. Despite huge earnings from petroleum exports over the past three decades, Nigeria remains a poor, majority rural country. Annual economic growth averaged just 3.3 percent during the 1990s,⁶¹ barely keeping pace with population growth, and mean per capita income in 2002 was just \$300, lower than at Independence. The proportion of Nigeria's people living in poverty climbed to 70 percent in 2001 and inequality grew, with the wealthiest controlling 25 times more income than the poorest⁶² and with women and Northern Nigerians disproportionately impoverished.

Table 4: Percentage of Nigerians Living in Poverty

1980	1986	1992	1996	2001
28.1	46.3	42.7	65.5	70.0

Rural-Urban Dynamics: Fifty-five percent of Nigerians live in rural areas, and over half of the population earns its livelihood solely or largely from low-input, low-output agriculture. Yet agricultural production is barely keeping pace with population growth, and even the limited gains in agricultural production have come from an unsustainable expansion into savanna and tropical forests. The unpromising condition of the agricultural sector has accelerated the pace



of rural to urban migration. Nigeria is one of the most rapidly urbanizing nations on earth, with urban population growing at five to seven percent per year, double the overall population growth rate.⁶³ The cities do not provide the estimated three million new jobs that Nigeria needs to create each year and unemployment and underemployment are rife in urban areas. The manufacturing sector has a very small base and contributes less to GDP and employment today than it did twenty years ago. Nigerian industry is uncompetitive and highly protected, and operates at about only 40 percent of capacity. Without systemic reforms that would foster increases in the negligible level of non-oil direct foreign investment, opportunities for formal-sector employment generation in the urban-based manufacturing sector will remain seriously constrained.

The linkage between rural poverty and the movement of people to the cities implies that there is a need to address both rural and urban poverty over the life of the CSP. Only very rapid, broadly based economic growth will have a significant effect on poverty reduction. Yet because of the constraints on expansion of manufacturing, much of this growth will have to be derived from rural-based economic activity, especially agricultural production and value-adding processing of primary products. However, the current state of agriculture and rural development in Nigeria requires significant reform if such growth is to be achieved.

Agriculture Sector Performance: The continued poor performance of the agriculture sector has many causes. Starting with the oil boom of the 1970s, the sector has suffered from a steady decline due to neglect and an inconsistent policy environment. Rapid growth during the 1970s of the value of crude oil exports and macroeconomic mismanagement led to substantial appreciation of the real exchange rate (the so-called Dutch Disease), which severely eroded the profitability of traditional agricultural exports such as cocoa, rubber, and oil palm products. At the same time, a flood of cheap food imports, especially cereals, sugar, livestock products, and other tradable goods, undermined the food producing sector.

Subsequently, during the 1980s and 1990s, as the real price of crude oil declined, exchange rate mismanagement and chronically high fiscal deficits reduced both the incentive and the

capacity of the private sector to invest in modern, competitive commercial agriculture. Public investment in Nigeria during the oil boom did not accord agriculture any priority. As a result, research institutes that had once been centers of excellence in agricultural development became starved for funds, the extension service atrophied, and roads deteriorated from lack of maintenance. The limited resources that federal and state governments invested in agriculture were largely expended on a series of expensive irrigation and other agricultural development schemes that were generally failures. Government interference in and ineffective attempts to subsidize the price of fertilizer have led not to lower fertilizer prices for farmers, but rather the opposite, as a result of manipulative control, corruption, ill-timed deliveries, and scarcity, which seriously disrupted the development of a network of private agricultural input suppliers. The result is an agricultural sector that struggles to overcome key constraints of degraded infrastructure, poor access to inputs and technologies, and lack of financial services.⁶⁴

Enabling Environment: The unfavorable enabling environment facing the agricultural production and processing sectors is not unique, but rather reflects pervasive problems that have built up over decades of military and civilian misrule and that have only begun to be addressed since the democratic transition in 1999. Of eighteen African countries surveyed in 2000, Nigeria has one of the poorest environments for private sector investment in Africa.⁶⁵ Inadequate and state-owned infrastructure, poor economic governance, and an unfavorable business climate were the top obstacles identified. Nigeria continues to rank as one of the most corrupt countries surveyed by Transparency International, a ranking that is borne out by the results of a USAID-funded corruption survey.⁶⁶ In planning investment and expansion, investors must confront such critical obstacles as a weakened but still extant statist ideology, chronic overvaluation of the exchange rate, corruption, macroeconomic instability, and an unfavorable business climate.⁶⁷ The latter was confirmed and documented in great detail in the "Investors' Roadmap." The existing policy environment has ironically been termed the "Investor's Roadblock."⁶⁸

Financial Services: At the same time, a dearth of critical financial services means that it is



difficult to acquire the capital necessary for developing or expanding private sector enterprises, both rural and urban. Limited availability of financial services is also important in increasing uncertainty, which discourages investment. Poor bank supervision, a legacy of government ownership, high fiscal deficits, high and variable inflation, a fragmented exchange rate regime, and recently re-introduced arbitrary caps on interest rates, have created severe constraints on financial sector development. Rates offered to savers are low, yet the cost of credit is high. Access to financial services is particularly limited in rural areas, where poor policies and lack of technical experience hamper rural financial institutions. Fewer than half of the branches of the country's formal financial institutions are located in rural areas, and they only reach about 10% of the rural population.⁶⁹ Because access to formal lending is so low, informal sources (e.g., family, friends, moneylenders, or money keepers) provide the bulk of rural credit. However, with an average lending period of three months and a focus on established, traditional activities, the informal sector cannot provide the capital or other services necessary to support the expansion that is critical to rural economic growth. More generally, despite Nigeria's well developed commercial banking sector and the second largest stock market in sub-Saharan Africa, financial markets still lack the capacity to provide the full range of financial products necessary for increased, sustainable economic growth. In 1998 the size of the financial sector in Nigeria compared to the total economy ranked behind such countries as Ghana, Kenya, and Zimbabwe.⁷⁰

Food Production: In the face of policy barriers and financial system constraints, production and exports of many cash crops have declined markedly, and food production, especially over the past decade, has barely kept ahead of the rate of population growth.⁷¹ The FAO lists Nigeria as a Low Income Food Deficit Country, and a comprehensive food security assessment has estimated that the southern parts of the country are the most deficient in per capita calorie production.⁷² A net exporter of agricultural commodities such as cocoa, oil palm, and rubber at the time of independence, Nigeria today is a substantial importer of agricultural products, including rice imports worth nearly \$750 million annually.⁷³

Environmental Concerns: Nigeria must also contend with a severely degraded natural resource base, from causes that include high population growth, unplanned development of infrastructure, and the expansion of economic activities such as agriculture, fisheries and aquaculture, shipping, and offshore oil drilling, without taking into account their environmental consequences.⁷⁴ Nigeria is a global reservoir of primate species, including the most endangered gorilla subspecies on earth, and the threats to biodiversity, tropical forests, and the many ecosystems and natural habitats is overwhelming and escalating due to population pressure. These problems point to the need to enhance the environmental awareness of national institutions and Nigerian citizens, conserve and protect the natural resource base, and mitigate the adverse environmental effects of economic activity.

Economic Potential: There is cause for cautious optimism that as conditions for private sector growth become more favorable, Nigerian agriculture will respond, as well as other sectors of the non-oil economy. From 1986 to 1992, a period when imports and the financial sector were liberalized and the exchange rate was more favorable, agriculture grew at a rate of 5.4% compared to -0.5% and 2.6% in the five-year periods preceding and following.⁷⁵ Since the Obasanjo Administration has been in power, the policy framework has been less hostile to agriculture and rural sector growth (agriculture, livestock, forestry, and fishing) has picked up to 3.3% annually.⁷⁶ Although this is still far too low to make much of a dent on rural poverty, past performance has shown that with a stable macroeconomic environment, a more favorable exchange rate, less preemption of credit by public sector deficits, and a reorientation to market-driven agricultural development, agriculture and agribusiness could become engines for growth and poverty reduction.

C. USAID Achievements and Comparative Advantage

USAID's SO7 under the Transition Strategy was "Strengthened Institutional Capacity for Economic Reform and Enhanced Capacity to Revive Agricultural Growth". The SO7 team also managed the Special Objective "Improved Management of Critical Elements of the Infrastructure and Energy Sector". These two SOs addressed economic policy and institutional



strengthening, private sector development, agricultural productivity and input supply, and ports, aviation and electricity management.

Agriculture: Notwithstanding significant constraints to increased agricultural productivity, USAID has provided appropriate technologies to farmers that have allowed them to better than double their yields and improve the quality of key crops such as cassava, maize and cowpea, and demonstrated that farmers will readily adopt new technologies once they have been shown to be effective. Efforts to improve marketing linkages facilitated the sale of about \$2.4 million in commodities through USAID-assisted producer associations to private sector agro-industries in FY 2002. Improvements in on-farm post-harvest and processing technologies have reduced the labor burden of rural women and provided increased income. USAID-funded activities to disseminate improved planting seeds of key staples in northern Nigeria have helped farmers increase yields threefold and net revenue by almost \$600 per hectare. In the Niger Delta, improved varieties of banana and plantain have decreased losses due to disease and increased net farmer revenue by 50 percent. Fertilizer marketed through the private sector totaled \$21 million in FY 02, opening the way into a sector dominated by government procurement that has resulted in shortages.

Private Sector: USAID's portfolio of technical assistance instruments has supported budget reform, debt management, trade policy development, investment promotion, and privatization. The Bureau of Public Enterprise, the GON's privatization agency, has more clearly codified and established transparent procedures in privatizing 17 state-owned enterprises. Technical assistance to the Nigerian Communications Commission contributed to a model auction of GSM licenses that yielded over \$1.0 billion in revenue for the government. Through the Special Objective, the Nigerian Electric Power Authority received help to prepare for privatization, and the provision of equipment to the international airport in Lagos has resulted in safer and more secure air travel. Progress has also been made in support to improved public procurement and to aid the establishment of the Independent Corrupt Practices Commission (ICPC) and the Budget Monitoring and Price Intelligence Unit (BMPI) in the Presidency.

Policy Reform: Substantial progress has also been achieved in enhancing the capacity of the Debt Management Office and in the preparation of intellectual property rights legislation. Finally, an important activity has been initiated to rationalize the federal budgetary process and make it more efficient. USAID efforts ensured that, for the first time, dialogue on poverty reduction included civil society voices.

Lessons learned from the Transition Strategy and USAID's comparative advantage will be applied going forward:

- Political will is pre-requisite to reforming institutions or policy areas;
- Effective counterpart agencies and operationally focused activities are key to success;
- Constituencies must be built for reform;
- A key USAID strength lies in developing models of successful interventions in specific commodities with significant potential for value added and commercialization through commodity chain analysis and an enterprise development approach;
- Always take account of both the microeconomic and macroeconomic policy conditions necessary for enterprise growth.

D. Consultative Process

Under the Transition Strategy, USAID's SO7 worked with a number of partners to deliver services to its customers. The major stakeholders from whom the new SO12 team has drawn insights during strategy preparation include implementing partners, donor agencies, other USG agencies, the Federal Government of Nigeria, state and local governments, the private sector, civil society organizations leading research institutes, economic think tanks, and private individuals and groups. Ultimate customers are the Nigerian public, mainly the farmers, entrepreneurs, and enterprises at all levels that depend directly on the natural resource base for production and income.

To fully involve these partners in the preparation of the Country Strategic Plan, SO12 initiated an inclusive consultative process beginning in September 2002. The purpose was to identify the development priorities and strategies to



enhance economic opportunities in Nigeria. The initial consultations were on generic issues involving large groups of participants; however, at later stages, more focused in-depth discussions were held with smaller groups of people on specific technical issues.

The major recommendations coming out of this extensive stakeholder participation, while not unexpected, have served to codify these as the major issues:

- Increased productivity, enterprise development and commercialization of agricultural products through the private sector are key to more rapid growth;
- Civil society, producer associations and private enterprises must be assisted to advocate reform;
- Increased agricultural production and productivity must be achieved in environmentally sustainable ways;
- The range of financial services to the private sector must be expanded and broadened;
- Priority must be given to key elements of macroeconomic reform;
- Corruption is a major obstacle to development and to reform;
- To develop the economy, stabilize the macroeconomic situation, and reduce poverty, Nigeria must diversify its enclave economy out of excessive dependence on oil and gas.

E. Development Hypothesis and Strategic Objective

Nigeria's size and complexity and reliance on oil and gas has resulted in a structure of incentives that has encouraged a significant diversion of resources away from export and import-competing sectors and towards public administration, construction, and other non-tradable activities. This has led to strong measures to protect Nigerian industry and other import-competing sectors from competition, which has further exacerbated the distortions in the structure of incentives. Large government revenues from oil and gas have also insulated government from the need to undertake fundamental reforms despite abundant evidence that public policies and expenditure patterns have slowed economic growth and contributed to impoverishment of much of the population. Nowhere is this truer than in rural areas. The

growth potential of oil and gas revenues is limited. Annual per capita receipts are only about \$100, and given the cap placed by OPEC on increases in oil production in Nigeria, these revenues are unlikely to grow by much in the near term. If the Nigerian economy is to expand its growth from the present 3.3 percent to the desired 7 percent, agriculture must be the engine of growth for the country.

The typical Nigerian farmer:

- Is over 50 years old;
- Is illiterate;
- Lives on less than \$1 a day;
- Farms less than two hectares of land;
- Employs only hand tools;
- Produces a very narrow range of crops;
- Does not use productivity-enhancing inputs;
- Does not receive reliable extension advice;
- Lacks market information and linkages;
- Has limited access to financial services;
- Produces just three-quarters or less of household food requirements.

Nigeria's women farmers, with lower educational levels and less access to land, labor, information and technology than men, are even more handicapped by these conditions than their male counterparts.

The imperative is clear: Nigerian farmers and entrepreneurs must be assisted to increase their productivity, diversify their output as a risk-management strategy, add value to the commodities they produce, increase their incomes, and gain better access to input and output markets through the private sector. The approach must be environmentally sustainable, so as to counter the disastrous effects on soil fertility, land degradation, and biodiversity that population growth is having in rural areas. Under the current USAID program, Nigeria's farmers have already demonstrated their capacity to take advantage of new technologies and information to increase their production, productivity and incomes. To leverage greater impact and reach a larger number of beneficiaries under the new strategy, SO12 will employ a commodity chain approach, identifying selected commodities and product chains that can benefit from proven technological packages, increased value added through storage and processing, and significant commercialization



backed up by policy reform to make these changes possible. Increasing economic opportunities will also give more people a material stake in democracy's success and contribute to long-term political and economic stability in Nigeria, as well as contribute to poverty reduction.

USAID and partners, including other donors and the GON, have already made significant progress in areas such as quantifying and managing domestic and foreign debt, establishing a budget process, identifying highly competitive agricultural commodities for domestic and export markets, strengthening elements of infrastructure, improving the investment environment, and expanding the availability of financial services. SO12 will build on these past investments and USAID's technical leadership in enterprise development, private sector-led approaches, technology transfer, sustainable agriculture and commodity chain development. Because resources are limited relative to the size and complexity of Nigeria, USAID's assistance will be directed strategically to directly support farmers, entrepreneurs, and selected institutions. Direct interventions will be focused primarily in rural areas, but will impact urban poverty through increased productivity that should reduce the cost of food, and by reducing the flow of rural to urban migration. By building the capacity and increasing the voice of primary producers and processors, SO12 will also influence the way the Government employs its own resources and the incentives that are created for private sector development. SO12 and partners will also work with policy makers to increase the capacity to deliver reform and with the private sector and civil society to demand reform. Direct interventions to boost productivity, build enterprises, and add value to selected commodities will be focused on a few selected geographical areas where the needs are great and the probability of success is high. Policy reform will be undertaken at the federal, state, and local levels, with the last two being concentrated in the same geographical areas where the direct interventions are undertaken, so as to maximize the synergies between the different components of the SO.

Illustrative Indicators for SO12:

- Incomes from selected commodities and products;

- Volume of production of selected commodities and products;
- Value of production of selected commodities and products.

F. Critical Assumptions

- Communal conflict will continue to occur at current levels and will not impact on implementation;
- Corruption will remain a core governance issue;
- Funding levels for agricultural research and extension and rural road maintenance will be sustained;
- Critical reforms (especially addressing agriculture and financial services) will be implemented.

G. Intermediate Results

IR 12.1: Increased Productivity of Selected Commodities and Products

This IR will focus on improvements in the productivity of land, labor, and capital used to produce selected commodities originating in rural areas. Yield enhancements are the essential ingredient of increased productivity and competitiveness gains, and are most effective when accomplished synergistically together. Key elements of improved agricultural technology include:

- the development of new crop varieties;
- increased availability of selected fertilizers and other inputs through the private sector to maximize the potential of improved varieties;
- the adoption of improved agronomic practices developed through adaptive agricultural research.

Efforts to increase productivity will be more effective through such an integrated approach.

Illustrative indicators:

- Yield per hectare or unit of selected commodities and products;
- Area under sustainable management.

Illustrative activities:

- Technical assistance to private sector input suppliers;



- Adaptive research and dissemination of sustainable practices;
- Rapid dissemination of improved crop, livestock, aquaculture and forestry technologies;
- Capacity-building for selected research organizations, especially those involved in the application of biotechnology to improve agricultural productivity.

IR 12.2: Increased Value-Added of Selected Commodities and Products

Developing more productive enterprises that also add value to and diversify the product chain is essential to increasing incomes and reducing risk. Rural enterprises include farm enterprises, but they also comprise agribusinesses involved in input delivery, processing, storage, industrial transformation and other pathways by which value may be added to basic commodities and products. Non-agricultural enterprises such as micro, small and medium-scale manufacturing firms or service providers will also be assisted to acquire and apply improved technical and management skills and to access a wider range of financial services under this IR. The development of rural enterprises increases rural employment and income, helping to reduce poverty.

Illustrative Indicators:

- Number of new value-added commodities and products;
- Range of value-added products;
- Capacity index of assisted enterprises.

Illustrative activities:

- Improved milling and processing technologies for selected crops;
- Business development training and technical assistance;
- Expanded financial service availability for micro, small and medium enterprises.

IR 12.3: Increased Commercialization of Selected Commodities and Products

Nigeria's rural producers are subsistence-based and lack a market orientation. This is a function of poor market information, limited market access, and negligible use of appropriate

agricultural technologies. When farmers do sell their products, their need for cash is usually immediate and they are rarely able to hold their produce for more favorable market conditions. The quality of their produce is often poor, and many farmers do not participate in organizations such as producers' associations that can function as intermediaries for market information, market linkages, and economies of scale. An increased orientation to the market will assist producers to identify the most profitable market opportunities for their commodities. Increased commercialization may be manifested by produce sales rather than on-farm consumption; marketing of basic commodities or processed products in local, regional, or national markets; or exports to other countries.

Increased access to product markets may in turn be influenced by transportation infrastructure, taxation and regulation of the transport sector, corruption exercised at checkpoints along the roads, customs duties and procedures, and other potential barriers to marketing and trade. Infrastructure is a key constraint that is beyond the manageable interest of SO12. However, policy dialogue conducted under IR 12.4 will advocate for liberalizing the agriculture sector and for significant resources of the GON and the private sector to be applied to priority infrastructure development. Efforts to commercialize agriculture through activities to increase use of proven agricultural technologies, improve domestic and export market opportunities, add value to agricultural products, and decrease post-harvest losses will enhance the productivity component of the strategic objective. The approach will build private-public alliances to improve post-harvest processing, and also create income-generating opportunities for women.

Illustrative indicators:

- Percentage of production volume marketed;
- Number of farmers and producers selling;
- Number of sustainable producers' and marketing associations;
- Number of farmers and producers who are members of associations.



Illustrative activities:

- National and regional market price information system development;
- Technical support to build the capacity of producer and marketing associations;
- Research and analysis to identify high-potential products for local and international markets.

IR 12.4: Improved Policy Environment

Without a significant improvement in the policy environment, farmers and entrepreneurs will have neither the means nor the incentive to invest and to innovate. Better and more stable macroeconomic, trade, investment, and public expenditure policies will be pursued in close coordination with other donors and other SO partners within the Mission. Where competent and committed public sector counterparts exist, USAID will assist government to identify and reform policies that hinder growth and poverty reduction. It will also help private enterprise and civil society to build cross-SO constituencies for multifaceted reform.

Illustrative indicators:

- Milestones achieved on policy reform matrix.

Illustrative activities:

- Analysis and advocacy for reform of fertilizer subsidy and other key agricultural policies;
- Technical support to debt and budget management processes;
- Capacity-building for civil society to advocate for better economic management and increased accountability and transparency in government operations.

H. Geographical Focus

Total base resources for SO12 per year are anticipated to be in the range of \$10-11 million. Although policy reform and advocacy efforts will clearly be targeted at the national level, activities to enhance productivity and market focus and to build enterprises will target not only key commodities, but selected geographical areas as well. Criteria applied to identify states

offering the best opportunities to implement SO12's program are identified in Box 1.

Box 5: Target State Selection Criteria

Critical need
Opportunities for synergy with other SOs
Opportunity to address cross cutting issues
Presence of other donors
Ability to build on past investments
U. S. national interest
Potential to achieve results and impact
Population coverage
USAID comparative advantage
Opportunity for scaling-up, replicability and sustainability

Using these criteria, Kano, Cross River, and Abia States and the Federal Capital Territory (FCT) of Abuja will form the initial focus for SO12 investments. These states have been outstanding performers in USAID pilot production and productivity activities. Total population of these states is on the order of 15 million. They are also centrally-located in major agro-ecological zones that are catchment areas for much larger populations. As and when additional resources become available, for example from the Initiative to End Hunger in Africa, technologies and practices will be extended to adjacent states from these first-tier states.

I. Cross Cutting and Converging Themes

Gender. Women's labor is a crucial input if increased agricultural productivity is to be achieved, and Nigerian women already play the leading role in post-harvest processing of agricultural commodities. SO12 will target women for the dissemination of improved post-harvest and value-adding technologies such as cassava processing facilities. Women will also benefit from business development and financial services provided under the SO. The policy dialogue will address issues of concern to women such as registration and inheritance of land and other property. The results of nationwide assessments of the nutritional status of women and children and of household food security will help to inform the SO's choices of crop production strategies and appropriate technologies.

Conflict: The immediate trigger of many localized conflicts in Nigeria is competition for scarce resources, including land, water and



forest resources. Issues related to resource control and livestock movements, especially in Northern Nigeria, are one potential area of intervention. Producers' associations and advocacy groups that "bridge" lines of division such as religion and ethnicity are also a target for support, as such groups have been shown to check communal violence.

Food Security: SO12 will have direct impact on food security. Nigeria's southern geopolitical zones are the most food-insecure in the country in terms of per capita calorie availability from agriculture. The two focus states in southern Nigeria will be laboratories for developing and disseminating technologies – improved varieties, fertilizers, sustainable agriculture techniques, post-harvest and value-adding technologies – that will boost overall calorie and protein availability in these areas and improve household food security. Northern Nigeria is also highly vulnerable to food insecurity and this approach will be replicated in the north. Enhanced food security can also contribute to conflict mitigation.

Environment: SO12 will incorporate sustainable agriculture technologies in all activities in which increased production and productivity are goals, in order to avoid degradation of land and water resources, and to limit increased expansion of agriculture into critical habitats. Sustainable agriculture practices, including use of perennial tree crops, will be employed in a joint donor effort to protect the last remaining tropical forest in Cross River State, a biodiversity hotspot.

HIV/AIDS: Increased agricultural productivity, enterprise development and microfinance services provided under SO12 all have the potential to mitigate the impact of HIV/AIDS and to benefit PLWHA and OVC. Higher yields of nutritionally-improved varieties will serve the increased nutritional requirements of those infected while requiring less agricultural labor. Income-generating activities are also crucial for PLWHA who may have lost their jobs due to stigma, discrimination or reduced work capacity, and widow(er)s and orphans in households where an income earner has died. SO12 will also use the medium of training activities such as farmer field days, demonstrations, and microfinance meetings to enhance knowledge of HIV/AIDS.

Transparency: Under the Transition Strategy, the Mission conducted an anticorruption survey and media campaign and also supported key institutions to promote improved economic governance and accountability. Work with the debt management and budget offices will continue into the new strategy and other GON institutions showing potential for reform will also be identified and targeted. As one example, the Nigerian Investment Promotion Commission will be encouraged to promote improved transparency in the investment climate, the absence of which is a barrier to investment.

Global Development Alliances and Other Partnerships: The commodity chain approach that SO12 is undertaking lends itself strongly to the development of public-private partnerships. By identifying opportunities for the commercialization of agriculture, and addressing the key policy constraints, this approach will be driven by opportunities identified by the private sector, who will be key stakeholders in the design, development and implementation of the activities. Key private sector partners will include producer and processing associations, women micro-entrepreneurs, merchants, commercial banks and agro-industrial owners. SO12 already partners with the Government of Nigeria and major oil companies in cassava production and processing, and additional partnerships are under development.

J. Linkages

- With other SOs in USAID/Nigeria strategy

SO11: Democracy and governance clearly has important linkages with SO12. These include the positive impact that SO11 will have on the enabling environment for private business and commerce. The success of SO11 in mitigating civil disturbances will enhance order and stability, both of which are necessary conditions for economic growth. These activities will be linked closely with SO 11's PROSPECT project to strengthen the capacity of civil society to make its voice heard on economic reform issues.

SO13: Successful rural development requires a healthy and reasonably well educated population. To the extent that SO13 contributes to that goal, the likelihood of success for SO12 is enhanced. The reverse is also true. A



population that is better nourished is less susceptible to both morbidity and mortality from communicable disease, and is also likely to perform better at school.

SO14: SO12 will work with SO14 to identify PLWHA and OVC who can participate in microfinance and agricultural production activities, and producer associations. The income generated can be used for routine household expenditures as well as to pay school fees, buy books, and purchase medicines and health services. Frequently, cash needs for these purposes are not large, but the cash has to be available at the right time, which often it is not. The availability of microfinance services can make all the difference to individuals and households impacted by HIV/AIDS.

- With Agency/Presidential Initiatives and regional programs

Initiative to End Hunger in Africa (IEHA): SO12 fully integrates the six major focal themes of IEHA and the SO's Performance Management Plan includes key IEHA indicators. The Mission strategy will result in improved productivity, reduced food insecurity and expanded agro-processing industries by targeting small-scale, resource poor farmers, including women. In addition, the Mission is likely to fund research and development of insect-resistant cowpea, the major food legume for West Africa, which could increase cowpea productivity 10-fold over local varieties, and eliminate the need to spray insecticide.

Anti Corruption Initiative: The Mission realizes that corruption undercuts every activity to be undertaken and will compete vigorously to supplement resources to devote to anti-corruption efforts. SO12's strategy is to strengthen key institutions of transparency (as is being done already under the Budget Process Reform project) and to encourage NGOs with which each SO cooperates to include activities to build demand for more transparent and accountable governance.

Trade: As a member of ECOWAS, Nigeria has made commitments to implement a common external tariff (CET) for the ECOWAS countries, which if met would represent a major step forward in trade policy. Movement toward Nigerian harmonization with ECOWAS tariffs was an unmet condition of the 2000 Standby

arrangement with the IMF. While thus far little progress has been made in the tariff alignment, Nigeria is participating in the ECOTrade program through its National Coordinating Committee. Reducing the high duties on regional goods will facilitate regional integration and expand markets for all member countries.

Private Sector Development: Agriculture is inherently a private sector activity and USAID has created private sector linkages within Nigeria through its rural sector enhancement and private sector fertilizer activities. In the wider West African region, the Mission works with the West African International Business Links programs (WAIBL) and through a regional women's business group, the West African Businesswomen's Network (WABNET).

West African Global Competitiveness Hub: The West African Global Competitiveness Hub will reinforce regional efforts to enhance trade competitiveness for Nigeria and other West African countries through training and direct technical assistance, including assistance for businesses to take greater advantage of the increased trading opportunities provided through the Africa Growth and Opportunity Act (AGOA) and other global trade initiatives.

Regional Market Information System: USAID will collaborate with the West Africa Regional Program (WARP) in the development of a regional market information system to enhance opportunities for trade. To date, Mission activities have been limited to selected states, commodities and inputs. A more integrated and broader approach is needed to enhance the opportunities and options for producers and processors.

- With GON initiatives

Nigerian Presidential Cassava Initiative: USAID took the lead in FY02 in efforts to combat the Cassava Mosaic Disease (CMD) by providing the International Institute of Tropical Agriculture (IITA) with an initial grant of \$300,000 for monitoring, testing and dissemination of CMD-resistant cassava varieties. This initial grant will be expanded to develop commercial markets for cassava products, including starch, industrial ethanol, bakery and other food products, and livestock feed, in a broad partnership involving the Niger Delta Development Commission (NDDC), Shell Petroleum Development



Corporation, private farmer producers and processing associations, and commercial banks. To date, contributions of over \$4 million have been made to this activity by the NDDC, GON and Shell, and USAID will contribute an additional \$1.2 million.

- With other donors

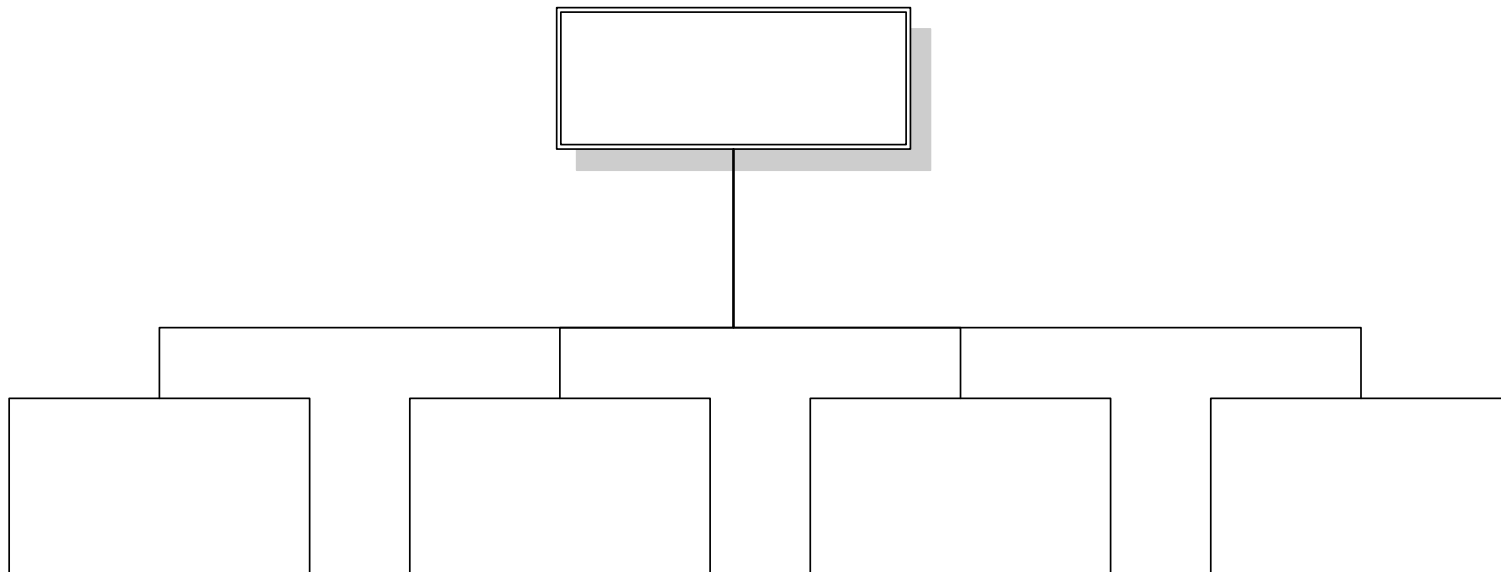
Donor coordination: USAID and other donors – especially DfID, the World Bank, the IMF, and the EU – support economic policy coordination, reform and capacity building at the federal level in the Budget Monitoring and Price Intelligence Unit (BMPI), Debt Management Office (DMO), Bureau of Public Enterprise (BPE), Federal Office of Statistics (FOS), National Planning Commission (NPC) and Nigerian Investment Promotion Committee (NIPC). These are coordinated in a series of “Thematic Groups” organized by UNDP, but with different donors taking more or less active roles. Support for transparency, accountability, and anti-corruption is an essential element of the USAID strategy in which we work closely with the World Bank, DfID and UNDP.

In the agricultural sector, USAID, UNDP, DfID, France, EU, JICA, World Bank, and African Development Bank (ADB) are also focusing on sustainable agriculture, rural development, and environmental programs. These donors are individually supporting the national effort on sustainable food security and poverty reduction through agriculture. In this sector, USAID, the Food and Agriculture Organization (FAO), and the World Bank will take the lead in effective coordination of donors in order to have maximum impact on agriculture and the environment.

DfID has traditionally been one of the most active donors to Nigeria's environmental protection programs. DfID funds a Social Development Adviser in the EU and an Environment Adviser in the Canadian International Development Agency (CIDA). Other donors who are also supporting activities in the environment/natural resources management domain are Denmark, JICA, Germany, Norway, UNDP, United Nations Children's Fund (UNICEF), World Bank, and African Development Bank (ADB).



K. Results Framework





VII. SO13: Increased Use of Social Sector Services

A. Statement of the Strategic Objective

Strategic Objective 13 is **Increased Use of Social Sector Services**, where “social sector services” comprise those in the health (family planning, reproductive health and child survival) and basic education sectors. Service use will be reflected by changes in childhood immunization coverage, contraceptive prevalence, and primary school retention rates.

Integrated and synergistic social sector programming in select geographic areas will result in the greatest returns on health and basic education investments. This is critical given the size of Nigeria’s population, the magnitude of the population’s needs and the limited resources available. Strategic approaches and interventions developed under SO13 will reinforce and help to sustain the conditions for increased use of health and education services by addressing key constraints and challenges. These conditions are SO13’s intermediate results: **improved quality of social sector services, strengthened enabling environment, expanded demand, and increased access to services, commodities and materials**. The SO is linked to two Agency goals: The World’s Population Stabilized and Human Health Protected; and Human Capacity Built Through Education and Training.

One major consequence of the social, political and economic deterioration in Nigeria over the

past several decades is the crisis facing Nigeria’s children and young adults. Almost one in five Nigerian children will die before reaching his or her fifth birthday.⁷⁷ Of those who survive, only 55 percent will regularly attend primary school, and fewer than 2 out of 3 of these will complete their primary education.⁷⁸ Of those who do complete school, fewer than half will possess functional literacy and numeracy skills. One million children have been orphaned by HIV/AIDS, a number that will triple over the next seven years, and many are themselves infected through mother-to-child transmission. Almost two million Nigerians aged 15-29 are HIV positive, out of four million total infections. Young women are especially vulnerable to HIV infection because they lack information, services, and the power to protect themselves against risk. Half of these same young women will be mothers by the age of 20, and in the absence of quality health services, are 100 times more likely to die of maternal causes than their sisters in industrialized countries. Nigeria’s young adults, both men and women, face poor employment prospects, with ten jobseekers vying for each vacancy, and will begin their own families mired in poverty. And so the cycle begins anew. Nigeria’s indicators of fundamental human well-being rank at or near the bottom among countries with populations greater than 100 million in all key social sectors.

Table 5: Social Indicators, 2002

Country	Births per 1,000 pop.	Net primary school enrolment/ attendance	Rate of Natural Increase (%)	Infant Mortality Rate	Total Fertility Rate	Percent of Married Women 15-49 Using Contraception		Adult literacy rate	
						All Methods	Modern Methods	M	F
Nigeria	41	56	2.8	75	5.8	14	9	58.0	41.0
Mexico	29	100	2.4	25	2.8	68	59	93.5	89.5
Brazil	20	97	1.3	33	2.2	76	70	87.4	87.2
Bangladesh	30	79	2.2	66	3.6	54	43	49.9	30.8
India	25	76	1.7	66	3.1	48	43	69.0	46.6
Pakistan	37	46	2.7	91	4.8	28	20	58.2	28.8
Indonesia	22	91	1.6	46	2.6	57	55	92.1	82.6
China	13	93	0.6	32	1.7	83	83	92.5	78.7
Russia	10	93	-0.7	15	1.3	67	49	99.7	99.4

Sources: Population Reference Bureau, Human Development Report 2003, UNICEF, DHS.



B. Statement of the Development Problem

The health and basic education sectors have been particularly hard hit by the twin impacts of rapid population growth and poor economic performance under the military regimes of the 1980s and 1990s. Facing a rapidly growing population of young children and adolescents and adults in their reproductive years, the public sector has been unable to meet the growing demand for health and education services, let alone improve the quality of existing services. The lack of government commitment to health and basic education service provision has been reflected in very low levels of financial commitments in these sectors: only 4.1% of the Federal GON budget was allocated for health and 6.7% for education in 2002.⁷⁹ Budgetary figures are not available for State and Local Government allocations to these sectors, but based on the scarcity of health services in rural areas, and the overcrowded conditions in classrooms, it can be assumed that those allocations are also low. This deterioration has been exacerbated by increasing poverty and a widening of inequities in access to social sector services.

During the decades of military rule, the Nigerian health and education infrastructure nearly collapsed, resulting in a decline in human capacity. Interventions often cost twice as much to implement in Nigeria as compared to other countries. The most cost-effective investment of USAID funds will be to simultaneously address the health and basic education needs of Nigerians, particularly women and children. Economies of scale, and USAID involvement to date, suggest that the greatest return on individual investments will occur through targeted activities in health and education at the community level, such that gains in health status reinforce gains in educational achievement and vice versa.

The validity of an integrated approach is borne out by the strong links between levels of education, particularly for women, and family planning/reproductive health and child survival outcomes. Contraceptive use more than triples among Nigerian men and women with a primary education compared to those with no education, while the rate of adolescent pregnancy drops from 50 percent to just 16 percent. Likewise, vaccination rates for children of mothers with a primary education are three times higher than

for children of mothers with no education; educated mothers are also more likely to seek medical attention for a child's illness (56 percent) than are uneducated mothers (39.5 percent). The association between children's health and nutritional status and their access to and benefit from education is also clear: poor health decreases attendance and retention rates, and impairs children's ability to learn. As the number of children under 12 living in a household increases, the percentage of primary school-age children attending school decreases. At least 56 percent of 5 – 12 year olds from households with one or two children under 12 attend school, compared with just 37 percent of school-aged children from households with seven or eight children under 12.⁸⁰

Child Survival: Each year almost three million Nigerian children fall ill and die, principally from diseases that are preventable by simple and affordable measures. Over 80 percent of mortality and 90 percent of morbidity in children less than five years of age can be attributed to four causes: malaria, vaccine preventable diseases (VPD), diarrheal disease and acute respiratory infection (ARI). Significantly, malnutrition underlies more than 50 percent of all morbidity and mortality in young children in Nigeria.⁸¹

Malaria: Nigeria is a major malaria endemic country. Nigerians experience over 50 million episodes of malaria each year. Although malaria is preventable, easily treatable and curable, it accounts for 30 percent of all childhood deaths and is associated with about 11 percent of maternal deaths.⁸² The disease is also responsible for up to half of inpatient admissions in health facilities. Malaria is both a disease of poverty and a cause of poverty. Three key strategic interventions can vastly reduce malaria transmission and impact: access to and use of insecticide-treated nets (ITNs); intermittent presumptive treatment (IPT) of malaria in pregnancy; and prompt and effective treatment of malarial illness in children under five.⁸³ The use of these strategies in Nigeria is negligible: fewer than 15 percent of households own a child-sized ITN,⁸⁴ there is no policy for IPT in pregnancy, and treatment takes place largely outside of the formal sector, often with adulterated and/or ineffective drugs.

Vaccine-Preventable Diseases (VPD):
Complete immunization coverage for Nigerian



children aged 12-23 months fell from 30 percent in 1990 to 17 percent in 1999, the lowest rate in the West African region.⁸⁵ This is largely the result of a focus on polio eradication at the expense of routine immunization, as Nigeria is one of just five remaining global polio reservoirs and polio eradication has commanded a high priority in the international health community. Lack of government commitment; tension between the state and federal levels concerning vaccine procurement and distribution systems; frequent vaccine stock-outs at the state and local government levels; failure to integrate the routine immunization program into the primary health care system; and cultural attitudes also contribute to the problem. The failure of the system translates into close to half a million preventable child deaths in Nigeria each year from VPD alone.

Nutrition: High levels of malnutrition and micronutrient deficiency further compromise the health status and cognitive potential of Nigerian children. 42 percent of children under five are stunted, 11 percent of them severely; 25 percent are underweight and 9 percent are wasted.⁸⁶ Micronutrient deficiencies are also a serious problem, with 20 percent of children under five and 19 percent of pregnant women vitamin A deficient. Exclusive breastfeeding among infants younger than 4 months ranges from as low as three percent in Kano to 19 percent in Lagos.⁸⁷ Such low levels compromise immune response and contribute to the burden of infection and malnutrition. Improving infant feeding practices will become ever more relevant in the context of reducing mother to child transmission of HIV.

Family Planning and Reproductive Health: Nigerian women begin childbearing at a young age, bear an average of six closely-spaced children during their reproductive careers, and suffer appallingly high rates of morbidity and mortality from causes associated with pregnancy and childbirth. Much of this could be prevented by regular and appropriate use of reproductive health and safe motherhood care.

Reproductive Health: The median age at first marriage for Nigerian women is 18 years and 50 percent of women will be mothers by age 20. In the Northwest zone median age at first marriage is 14.6 years and 47 percent of girls 15-19 are pregnant or have already borne a child.⁸⁸

Nigerian women underutilize reproductive health and safe motherhood services. 45 percent of women under 20 years of age receive no antenatal care and 60 percent of births occur at home without qualified assistance. Nigerian women's use of family planning methods is low, with just 16 percent of currently married women using any method.⁸⁹

As one result of these fertility behaviors, the level of maternal mortality in Nigeria is among the highest in the world. For every 100,000 live births, 704 Nigerian women die as a result of complications of pregnancy and childbearing. This average masks huge regional disparities, ranging from 166 per 100,000 live births in the southeast to 1,549 per 100,000 live births in the northeast. One Nigerian woman dies every three minutes from pregnancy and childbirth related causes.⁹⁰

In addition to the high level of maternal deaths in Nigeria, levels of pregnancy-related morbidity are significant. For every maternal death, it is estimated that 15-20 women suffer debilitating conditions as a result of pregnancy including obstetric fistulae, ruptured uterus and pelvic inflammatory disease.⁹¹ Alarming, almost one in five births to adolescents is unplanned. One in every four Nigerian women has been subjected to the harmful practice of female genital cutting, which is known to increase the risk of death or injury. Many of the unsafe reproductive health practices that increase the risk of maternal morbidity and mortality are completely preventable.

Safe Motherhood: Much infant morbidity and mortality can be prevented by the increased use of quality reproductive health care. A significant percentage of infant deaths, for example, results from low birth weight. In turn, low birth weight is associated with poor maternal weight gain during pregnancy and illness during pregnancy, including the serious consequences of malaria and HIV. Complications at delivery, such as asphyxia and birth trauma, are important determinants of the level of perinatal mortality. The health of the mother during pregnancy can be protected through simple preventive measures; e.g., transmission of and illness from malaria can be reduced if women and their children sleep under insecticide-treated nets, and if pregnant women receive intermittent presumptive treatment for malaria.



Basic Education: Learner outcomes and the overall provision of quality basic education in Nigeria eroded significantly during the 1980s and 1990s. While estimates of the primary school gross enrollment rate (GER) vary from source to source and from state to state, recent estimates place the GER in 1999 at 81 percent (77 percent for girls, 84 percent for boys). Nigeria's net attendance rate, however, is estimated to be only 55 percent (53 percent for girls, 57 percent for boys).⁹²

From a gender perspective, Nigeria's basic education system performs quite poorly. Girls make up only 45 percent of total primary enrollment across the country, with wide regional disparities (only 18-23 percent in the northern states). This gender disparity results in at least 1.5 million fewer girls than boys enrolling in public primary school. Although girls and boys demonstrate similar levels of primary school completion rates (65 and 64 percent respectively), the female population as a whole demonstrates lower levels of educational achievement. In 1999, Nigeria's adult literacy rate was estimated to be 49 percent: only 41 percent for women, and 58 percent for men.⁹³

While school enrolment and retention rates provide information on levels of participation in the formal educational system, they do not address attainment of functional competencies. At the primary level, 1996 data from the Monitoring of Learning Achievement study, or MLA, show that the great majority of primary school students do not acquire even rudimentary English language literacy skills by grade four. The mean score for all pupils on the literacy section of the MLA was 25.1%, and 32.2% for the numeracy section.⁹⁴

Nigeria's basic education system, from the federal level to the individual school, is bedeviled with problems: poor data collection and use; inadequate educational financing and management; inappropriate curricula (for students and teachers both); lack of supervision; limited availability of textbooks and other instructional materials; and poor quality of both teaching and learning. Teacher competency is clearly an important determinant of the system's performance, and while many factors underlying this should be addressed, arguably the most important are the quality and content of pre-service and in-service training programs. This is particularly true given that Nigeria's current pre-

service training program for primary school teachers is geared for secondary school teaching, and that in-service training is not standardized and is implemented inconsistently.

Special attention must also be paid to Islamic schools. An estimated two million Nigerian children attend Islamic schools, over half of them girls.⁹⁵ A wide range of Islamic schools exists in Nigeria, varying between those that focus on the memorization of the Qur'an alone to those that teach a fully integrated contemporary curriculum. Regardless, it must be assumed that the teaching methods employed, and the learning achieved, in Nigeria's Islamic schools are at best at the same standard as public primary schools and therefore are in need of attention.

C. USAID Achievements and Comparative Advantage

In the 1999-2003 Transition Strategy, USAID addressed the problems summarized above through two separate SOs: SO8, Develop the Foundation for Education Reform, and SO9, Increased use of FP/MCH/HIV/AIDS Services and Preventive Measures within a Supportive Policy Environment.

SO8 activities have been implemented on the ground for the past two years, focusing on primary education improvements in three states that reach over 100,000 students in 327 schools, one-third of them Islamic. Activities have centered on improving the students' literacy and numeracy by providing in-service teacher training, both face to face and through Interactive Radio Instruction (IRI); increasing community support to primary education through Parent-Teacher Associations (PTAs) and local NGOs; improving information management and policy development; and fostering the development of action plans for educational improvement at the school, local government, and state levels. To increase the relevance of vocational education and reduce unemployment among youth in Nigeria, SO8 has also worked to improve skills training and curricula, as well as introduce market-driven vocational training and life skills education.

The Transition Strategy's SO9 addressed maternal and child health, reproductive health and family planning, and HIV/AIDS. USAID played a leadership role in polio eradication,



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directly improving the quality and coverage of oral polio vaccination efforts through National Immunization Days (NIDs). The Polio Eradication Initiative (PEI) in Nigeria achieved an isolation of cases in the north of the country in 2002, helping Nigeria reach the final stages of polio eradication. The immunization campaign also provided a vehicle for Vitamin A supplementation. Other USAID-led efforts to improve nutrition included the first comprehensive and valid national nutrition survey in 30 years, and promotion of exclusive breastfeeding in target areas. USAID also participates in the Roll Back Malaria Initiative, supporting the commercial marketing of insecticide-treated nets in 6 states.

SO9 activities have also increased the use of family planning and improved reproductive health, filling the gap in unmet demand. Socially-marketed condom sales reached 125 million in 2002 and DfID contributed \$75.5 million against USAID's \$35 million to launch the biggest social marketing program on the African continent. To help address unmet demand for birth spacing and family planning, training of service providers, quality assurance efforts and distribution of socially-marketed contraceptives resulted in almost 1.9 million couple-years of protection in FY 2002, an increase of 27 percent over FY 2001. USAID helped increase the availability of FP/RH commodities and services through 2,000 commercial outlets, 3,000 community based distributors and over 60 private and NGO clinics.

Under the new strategy, USAID/Nigeria's comparative advantage is the integration of its FP/RH, CS, and education programs under a combined Strategic Objective. Integrating these sectors will enhance logical links at the impact level, improve the opportunities for synergistic links at the implementation level, and combine under a single SO, the vast majority of USAID/Nigeria's programs that have an impact on the under-15 population, who comprise almost half of Nigeria's population.

D. Consultative Process

Throughout the development of SO13, USAID conducted broad consultation with Nigerian counterparts and partners to ensure Nigerian ownership of priorities and activities articulated in this strategy. Informants included representatives from Federal, State, and Local

Governments, implementing partners, donors, academics, "think tank" heads, civil society organizations (CSOs) and the private sector. The meetings informed USAID of key actors' commitment to and interest in working with USAID, and their views on which strategic options have the greatest potential for success in Nigeria.

Among the topics addressed were formulation of the development hypothesis; indicators that will signify achievement of results; creative approaches to achieve synergy with cross-cutting themes (gender, conflict mitigation, HIV and AIDS, food security, and environmental protection); illustrative activities; geographic focus; and the respective roles of USAID, the GON, and other partners.

USAID was encouraged by stakeholders to continue providing a leadership role in advocacy with the GON to create an enabling environment for commitment to social sector services in all strategic areas. The Mission was encouraged to continue its work to ensure high quality data is collected, collated, and disseminated for program formulation, implementation, and monitoring and evaluation. Likewise USAID was also asked to continue to emphasize community participation and empowerment to bring about ownership of projects and to ensure commitment and sustainability. Successful program implementation depends upon collaboration with the private sector. USAID should continue collaboration with the private sector and provide assistance wherever possible through Global Development Alliances (GDA) and other partnerships.

Stakeholders also made specific health sector recommendations. Men should be involved in USAID reproductive health and family planning programming. Routine immunization coverage in Nigeria is low, due in part to funding shifts towards polio eradication. Partners emphasized the need to increase resource commitments to ensure polio eradication and to revitalize routine immunization and urged USAID to use its global influence and ask partners to recommit resources to major childhood killers including measles, whooping cough, and addressing diarrheal diseases and respiratory infections. USAID/Nigeria's commitment to mitigating the impact of HIV/AIDS in Nigeria was acknowledged and the Mission was requested to increase its activities in collaboration with



communities, the private sector, and NGOs. Participants during this process highlighted the need for affordable high-quality anti-retroviral drugs (ARVs).

Specific education sector input from stakeholders included an emphasis on the issue of girls' education. USAID was encouraged to advocate for the promotion of girl-child education and to increase resources accordingly. The Mission was also encouraged to continue to work to improve in-service training for teachers but also to initiate complementary assistance for pre-service training. Stakeholders also advocated for continued support of PTAs and Islamic schools and communities, and emphasis on basic skills in education focusing on "the 3 Rs" (reading, writing and arithmetic).

To provide more depth to the consultative process, USAID also undertook and/or participated in a series of sub-sector assessments during 2002-2003. The Child Survival Assessment Report, Family Planning/Reproductive Health Assessment Report, LEAP: Situational Analysis, National Education Baseline Census, Primary Education Situation Analysis, and HIV and AIDS Assessment Report summarize the extent of these sub-sector analyses and provide an empirical basis against which strategic choices were assessed.

The SO13 design also takes into account lessons learned worldwide from USAID child survival, nutrition, family planning, reproductive health, and basic education programs, with particular attention to those that have been carried out in an integrated manner (Zambia, Mali, Madagascar and Uganda). In both the health and education sectors, experience has shown that successful programs almost always involve a combination of evidence-based and cost effective strategies, solid partnerships and, where appropriate, national coverage.

E. Development Hypothesis and Strategic Objective

The current level of human development in Nigeria, and particularly the situation of children and women of reproductive age, has been shaped by political and institutional factors that have constrained the use of the country's wealth for balanced development. Nigeria's population

is growing at a rate of 2.8 percent per year, and the economy is stagnant. This set of factors, compounded by years of neglect of the social sectors under military dictatorship, has spelled disaster both for service delivery and for human impact. Nigeria's basic health and education indicators make a very poor showing against countries of similar size, against other countries in sub-Saharan Africa, and even against its own human development record. Nigeria's Human Development Index (HDI) has increased only marginally during the decade of the 1990s and remains mired in the bottom quarter of all countries for which data are available.⁹⁶ Even the modest gains recorded are threatened by declining immunization coverage, deplorably low utilization rates for key services such as antenatal care and malaria prevention, and by low primary school attendance, retention and achievement rates. Encouraging the effective use of available services through quality, access, demand and policy improvements is the key to improving social sector outcomes in Nigeria.

Increasing the use of social sector services depends on the attainment of certain necessary and sufficient conditions: improved quality of social sector services, a strengthened enabling environment, expanded demand, and increased access to inputs such as vaccines, contraceptives, textbooks and teaching aids. SO 13 will address quality gaps through improved pre- and in-service training and the application of standards of practice and quality control through improved supervision. Demand creation will require increased accurate knowledge of service availability and positive outcomes from using services, and will also assist communities to identify needs and constraints and ways to address them. Access includes elements both of availability and the capacity to use services and must take full cognizance of the overall socio-cultural environment. Since GON budgets at Federal and local levels pay mostly for salaries, leaving few resources focused on programs and services, strengthening the enabling environment will require creating more public-private partnerships.

USAID plans to invest 60 percent of its resources at the local and community level, as it is at this level at which communities are mobilized for action; health and education services are delivered; and impact will take



place and be measured. It is acknowledged that local level programming requires strong state and national support and that many constraints to improving local programs rest at the state and national levels. Consequently, approximately 40 percent of this SO's resources will be invested at the national (20 percent) and state (20 percent) levels. Interventions at the national and state levels are intended to legitimize and institutionalize specific approaches, methods and financial commitments in the health and basic education sectors that have the greatest potential for long-term capacity building, replication, scale-up and sustainability. It is expected that this distribution is necessary to have the greatest direct and measurable impact on health and education outcomes through improvements in the conditions (quality, enabling environment, demand and access) identified in the development hypothesis.

Integration: In support of the development hypothesis, USAID will purposefully integrate priority health and basic education interventions in selected geographic areas to maximize the effectiveness of individual interventions, and to take advantage of similar program implementation modalities. "Integration" in this context is defined as the implementation of social sector interventions at the community level that will achieve sector-specific programmatic results while simultaneously taking advantage of all opportunities to promote synergies between health and education. Tactically, achievement of such integration will require geographic co-location of health and education programs as appropriate to the intervention.

Integrated child survival and basic education activities may include micronutrient supplementation in the school setting, or social marketing of ITNs and other products through PTAs or other school- or community-based organizations. The intersection of family planning/reproductive health and child survival provides opportunities to promote breastfeeding both for its benefits to both sides of the equation, and to communicate the positive health impacts of family planning interventions such as child spacing for both mothers and children. While joint family planning/reproductive health and basic education activities are not anticipated in school settings, communities have shown their receptiveness to culturally appropriate community based dialogue on reproductive health issues for young people. Integration of all

three focal areas of the SO will focus on PTAs and CAPAs as community partners for information dissemination, development of policy agendas, and on the ground implementation. The matrix of prospective interventions is summarized in the Venn diagram on page 66.

The development of SO13 has been based on the following strategic principles: the program will be customer-driven and culturally appropriate; it will be developed and implemented with active stakeholder input and participation; every effort will be made to optimize community level implementation; the program will capture opportunities to integrate health and education; it will promote long-term capacity building and sustainability; all decision-making will build on best practices and past successes; and it will be evidence-based and informed by a strong analytic foundation. The program will ensure maximum collaboration and coordination among development partners and will be committed to strengthening public-private partnerships at national, state and local levels.

Illustrative Indicators for SO13:

- Children 12-23 months receiving three doses of DPT before their first birthday in target LGAs;
- Primary school retention, by sex, in target schools;
- Contraceptive prevalence rate (modern methods) among women 15-49 years.

F. Critical Assumptions

- GON political commitment to social sector services will improve, and resources to social services will remain stable or increase at all levels;
- USAID and other donor resources for social services will remain relatively stable or increase and will be closely coordinated;
- Increased private sector partnerships in delivery of social sector services can be stimulated;
- Localized conflict will continue but will not get substantially worse.



G. Intermediate Results

IR 13.1 Improved quality of social sector services

The real and perceived quality of health and basic education services greatly influences the level of social sector service use. In the health and education sectors, while state-of-the-art standards of practice may exist on paper, teachers and health care providers are often not trained in their use, whether in a pre-service or in-service setting. Among those trained, teachers and health care providers are rarely adequately monitored or supervised, and, consequently, procedures often are not adhered to; barriers to improved performance are not addressed; and the clients' perceptions of service quality are not fully integrated into program planning and service delivery approaches. Although the GON has made great strides since 1999 in drafting and/or reinvigorating many relevant national policies to guide provision of social sector services, gaps remain. Significant assistance is needed to get what is on paper operational, and to assure that minimal levels of quality can be provided, particularly at the LGA and community level where most results accrue.

Illustrative Indicators:

- Teachers'/providers' compliance with basic quality standards in target LGAs;
- Client/customer/pupil/parent satisfaction with services used;
- Increased English literacy and numeracy scores of students in target LGAs;
- Public and private facilities meeting national service standards for priority interventions in target LGAs.

Illustrative Activities:

- Develop/revise standards of practice (SOPs) for target impact services and disseminate/train throughout the service systems;
- Develop and implement pre-service and in-service training curriculum that are based on the SOPs and developed for specific client populations;

- Develop and implement institutional management systems based on performance improvement approaches and using data for decision-making;
- Share best practices in quality assurance methods, approaches and tools.

IR13.2 Strengthened enabling environment

The federal government has established a generally favorable policy environment for social sector service delivery, including recent national policies on population, reproductive health, the multisectoral HIV and AIDS Emergency Action Plan, UBE, and the belated launching of the 1994 National Food and Nutrition Policy. These federal policies are complemented by similar policies and/or strategic documents at the state level. There exist, however, numerous systemic barriers to their full implementation that cut across several sectors. First, the re-imposition of high taxes and tariffs on nets and insecticides has effectively undermined progress in the ITN program to date, and requires attention by the SO13 team as well as colleagues addressing barriers to private sector growth under SO12 and to governance under SO11. Second, unclear roles, non-enforced policies and weak coordination similarly hamper the capacity to achieve high levels of routine immunization coverage. Instead, the National Program on Immunization (NPI), a parastatal agency related to the Federal Ministry of Health (FMOH), has focused most of its attention on the NIDS for polio eradication. Establishment of improved vaccine procurement procedures in particular may require collaboration of SOs 12 (private sector) and 11 (governance). Third, while various policies call for routine Vitamin A supplementation to be integrated within facility services, there is little evidence that this is happening. Increased advocacy and participatory fora need to demonstrate practical means of achievement. Fourth, although the national population policy was revised in 2001, efforts to have the policy approved by the President and the Federal Executive Council have thus far not met with success. Fifth, the UBE legislation has languished for more than two years and the current version of the Bill is still unclear and inconsistent about roles and responsibilities for the federal, state and local governments. Facilitation of dialogue to move these "paper policies" to useful implementation is indicated.



Illustrative Indicators:

- Targeted policies modified/enacted at the national level (index);
- Key enabling legislation/ regulations/ procedures aligned with policies;
- New resources leveraged by private sector alliances (communities, NGOs, Global Development Alliance – GDA).

Illustrative Activities:

- Support the development of community partnerships and participatory planning;
- Support the development of improved policies and action plans;
- Advocate for greater national, state, and LGA resources and use for health and education;
- Develop donor and private sector partnerships to leverage new resources;
- Improve information systems for management, decision-making and advocacy;
- Develop national, state and local capabilities in planning, implementation and evaluation of programs.

IR13.3 Expanded demand for improved Social Sector Services

Lack of demand is considered a key contributing factor to poor performance of the social sectors in Nigeria. Lack of demand for health services may result from inadequate or incorrect knowledge of disease transmission, prevention and treatment. Within the basic education system, families may not be aware of the opportunities that would result from investments in girls' education. In other cases, knowledge may be high, but individuals and community members lack the will to act on the knowledge by making timely and appropriate decisions about health care and education opportunities. Provider biases in the delivery of health care and teacher biases in classroom instruction often result in the poor quality of those services, leaving clients and students with low expectations and little motivation to return to a service delivery point or to the classroom. Equally important are constraints within the community or the family (including opportunity costs) that impede a motivated and

knowledgeable client or student from acting on the demand that does exist.

Illustrative Indicators:

- Clients seen by health providers, by sex and age, in target LGAs;
- Condoms and other contraceptives sold, nationally;
- Schools implementing girl friendly approaches;
- Pre-packaged drugs (PPDs) and insecticide treated bednets (ITNs) sold, nationally.

Illustrative Activities:

- Develop and integrate BCC for child survival, reproductive health and basic education;
- Undertake operations research to improve understanding of the factors affecting behavior change and expanded demand;
- Expand and strengthen social marketing for selected products and services;
- Scale up successful models of community mobilization for demand expansion.

IR13.4 Increased access to services, commodities and materials

The concept of "access" is multi-dimensional. For the purposes of this strategy, access includes the availability of services, commodities and materials (their physical presence in the marketplace and/or facility). Access also encompasses the ability of individuals, families and communities to avail themselves of those services, commodities and materials. Increasing access in both of its dimensions will require greater synergies in the development of logistics supply systems; greater equity in pricing structures; greater diversity in the range of providers so as to minimize the distance to service; and strengthened public-private partnerships to maximize service and product access.

At the community level, cultural issues must be more fully incorporated into health and basic education activities, including consideration of gender roles, opportunity costs and individual motivation. Conversely, in some regions of



Nigeria, and especially in the urban southwest, demand for commodities and services is high, but cannot be met. It is important that demand not be further expanded, if the commodities and services required to satisfy that demand cannot be ensured.

Illustrative indicators:

- Facilities offering Family Planning/ Reproductive Health services;
- Primary Gender Parity Index in target LGAs;
- Classrooms equipped with basic instructional materials;
- Facilities offering routine immunization in target LGAs;
- Vitamin A sold/distributed, nationally.

Illustrative Activities:

- Develop initiatives directed to special groups such as girls, adolescents, Islamic schools, OVC, FBOs, uniformed services, and hard-to-reach populations;
- Develop and provide supplemental teaching and learning materials;
- Strengthen commodity logistics systems;
- Develop cost recovery systems, including innovative community financing;
- Improve vaccine security.

H. Geographic Focus

Although the magnitude of total USAID funding for Nigeria is one of the highest in Sub-Saharan Africa, consideration of health and education funding on a per capita basis paints a different picture. These levels of are among the **lowest** in Africa. The size and diversity of Nigeria's population, and geopolitical imperatives, must always be considered in any discussion of funding levels, coverage or impact. Although some programs will clearly be targeted at national level, resource constraints dictate that focused programs must be limited to selected states.

Box 6: Target State Selection Criteria

Critical need
 Opportunities for synergy with other SOs
 Opportunity to address cross cutting issues
 Presence of other donors
 Ability to build on past investments
 U. S. national interest
 Potential to achieve results and impact
 Population coverage
 USAID comparative advantage
 Opportunity for scaling-up, replicability and sustainability

Given low resource levels, integrated primary education, child survival, and FP/RH will be mounted in no more than five states. USAID's initial target states for integrated social sector services programming will be Kano, Lagos, and Nasarawa States, with some activities in Bauchi State and/or the Federal Capital Territory. Activities in these five states will reach an estimated 21,100,000 people (based on 2000 DfID data), or 16% of the total Nigerian population. Because these are also five of the seven target states for SO14, program synergies will be possible and pursued.

I. Cross Cutting and Converging Themes

Gender: Although gender roles vary considerably from state to state, in general young girls have less access to education than boys, and both men and women face numerous cultural barriers to accessing RH services. In addition, women face many cultural practices which are harmful to their reproductive health. SO13 will incorporate approaches that have proven successful in addressing such barriers and will promote equity in service delivery where possible. Development and use of gender-neutral training materials, methods, and curriculum, for example, will be common across sub-sectors. BCC approaches and social marketing campaigns will specifically address gender roles. PTAs will be assisted to establish "girl-friendly" schools, and to understand why such might be necessary. Ambassador's Girls Scholarships, financed under the Africa Education Initiative, will assist girls to make the transition from primary to junior secondary schooling. Sex disaggregated data will be collected, shared, and interpreted to promote a broader understanding of gender differentials in use of social sector services.



Conflict: SO13 activities will incorporate inclusive, participatory processes that foster collaborative engagement. Implementation will be undertaken through instruments that provide adequate flexibility to adjust if conflict precludes work in a given area for a period of time. Also noted is that access to social services is disrupted by conflict, which causes social indicators to decline. Conflict mitigation is key to achieving results under SO13.

Food Security: SO13 will place particular emphasis on decreasing malaria morbidity that inhibits nutrient intake and drains labor from food production, improving access to and demand for Vitamin A and other key micronutrients, and incorporating nutrition and, possibly, school gardens into primary schools. If adequate funds are available, SO13 will also work on improving infant feeding practices (e.g., breastfeeding).

HIV/AIDS: In SO13, HIV/AIDS awareness and prevention will, where appropriate, be integrated into health and education activities. Prevention of mother to child transmission of HIV/AIDS will provide a major contribution to SO13's child survival activities. Children born to infected mothers in Nigeria are left with little chance of survival. While with healthy mothers exclusive breastfeeding is a major child survival thrust, an infected mother is left with fewer options. PMTCT therefore will cut across maternal health and child survival interventions.

Environment: SO13 activities are expected to have no negative environmental consequences, and if successful should contribute to an improved environment over time. Possibilities will be pursued for modest work with PTAs, community-based planning and other local groups to improve environmental sanitation around schools, e.g. latrines, waste water disposal, and drainage.

Transparency: The Mission has identified national and state legislatures as the key governance arena in which democratic accountability can be strengthened. These fora represent major conduits for public input into the policy-making processes (e.g., from civil society) and constitute critical checks on the executive branch in policy-making. The SO 13 Enabling Environment IR will target legislators to build commitment, and transparent leadership, for health and education activities. Principles of

transparency and accountability will be central to sensitization and training efforts on constitutional responsibility, oversight of policy implementation, and budget formulation and reporting.

Civil society's role will also continue to be strengthened to ensure a productive partnership with the public sector based on transparency and accountability. Advocacy activities conducted by media, PTAs, NGOs, CBOs and FBOs can continue to push for increased transparency in health and education programs at the national, state and local levels. SO 13 will draw on lessons learned and materials and curricula developed under SO 11 to strengthen its program in these areas.

Global Development Alliances and Other Partnerships: Increased participation of the private sector is important if social sector services are to meet real and perceived demand. In addition to owning and operating private facilities, the private sector provides direct and indirect support to public services through provision of scholarships, classrooms and instructional materials for education, of worksite programs for primary and reproductive health care, and of pre-paid managed care and insurance schemes for health care. The private sector is also an increasingly important actor in production and/or marketing of social sector commodities ranging from pharmaceuticals to textbooks to communication technology. Recognizing also USAID's Global Development Alliance focus and USAID/Nigeria's commitment to pursue such partnerships through the strategy period, SO 13 will work with the private sector much more closely over the coming five years. USAID will build on successful partnerships, such as the Polio Eradication Initiative (PEI) with Rotary International, UNICEF, WHO and CDC.

J. Linkages

- With other SOs

SO11: Where appropriate, SO13 will work with SO11 to develop pre- and in-service training and other USAID-sponsored fora to include and advocate "culture of peace" concepts and methods, including promoting topic-specific dialogue and communication among disparate groups. Legislative and policy advocacy directed at the executive, judiciary and legislature with respect to such issues as girl-



child education and child rights will provide additional entry points for such linkages.

SO12: The SO13 team will consult with the SO12 team to assure that the interaction of population and environment is incorporated into its policy and advocacy work in pursuit of IR13.2. SO13 and SO12 teams will also collaborate to support implementation of the government's Food and Nutrition Policy. In terms of the three dimensions of food security, SO12 will address food access (by increasing incomes to buy food through microenterprise) and availability (through agricultural production activities). SO13's comparative advantage is addressing the third dimension of food security, biophysical utilization of food.

SO14: SOs 13 and 14 have been developed to assure maximum cross-fertilization of inputs and results during implementation. The two SOs share five target states – Lagos, Kano, Bauchi, Nasarawa and the FCT – and expect to obtain particularly strong synergies in those states in advocacy and improvement of the enabling environment for social sector services overall. Joint efforts in condom social marketing and selected other FP/RH activities (STI prevention and treatment, PMTCT and ante-natal care, commodity logistics and management) are natural areas for collaboration. There is strong potential to mobilize more mature PTAs and communities engaged in CAPA to address educational and other needs of OVC. In close consultation with Nigerian partners, the two teams will also explore the feasibility of engaging community-based organizations to expand activities in HIV/AIDS awareness and prevention, stigma reduction, and possibly in care and support of persons living with HIV/AIDS.

- With Agency/Presidential Initiatives and regional programs

Africa Education Initiative: This initiative will address quality issues in basic education by supporting improved pre-service and in-service teacher training. The initiative also focuses on equitable access for girls and education for Islamic communities. USAID/Nigeria has already undertaken the implementation of activities under this initiative in its basic education program.

Education for All Fast Track Initiative (FTI): FTI is focused on a limited number of countries, 18 of which are full members with another 5 considered "Analytical Fast Track". Nigeria is one of the latter group, also known as the "Big Five", as these countries are characterized by large populations of children who are out of school. The support being provided will be used to fill policy, capacity, and data gaps.

Presidential Initiative on HIV/AIDS, Malaria and Tuberculosis: The Global Fund has approved \$17,828,008 for Nigeria in the second round of approvals. The main objective of the program is to reduce morbidity and mortality caused by malaria by 30% by the year 2007 through the following interventions: increase in access to ITNs; improved prompt access to prepackaged drugs; and improved access to intermittent preventive therapy for pregnant women.

- With GON initiatives

SO13 will be implemented in close collaboration with the GON and other development partners. USAID's partnership with the GON in the social sectors is mature and is expected to remain productive under the new strategy. USAID is active in a number of collaborative fora in which the government, NGOs, and the private sector participate. Specifically, USAID participates in the Inter-Agency Coordinating Committee (ICC) for coordination of routine and supplemental polio eradication activities, as well as the Nutrition Partners Coordinating Committee. It is also one of the Roll Back Malaria Partners, which work to improve malaria programs and towards meeting the Abuja summit goals. USAID also participates in the GON committee established to revitalize the Annual Education Census, which in 2002 succeeded in the first systematic collection, analysis and reporting of education data since 1995.

The GON pioneered the Strategic Pathway to Reproductive Health Commodity Security worldwide. USAID has made significant contributions to the field test of SPARCHS in Nigeria and remains one of two major donors that are supporting the global framework to ensure commodity security. Under the new strategy, USAID will continue to encourage the government to create and maintain the right environment to support the commercial (for-profit) sector in RH service delivery and be



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included in key policy decision-making efforts related to reproductive health.

- With other donors

USAID is currently the largest bilateral donor in terms of technical leadership. USAID occupies a prominent position on the coordinating body for the National Program on Immunization, and on the Core Technical Committee of that body. USAID works with WHO, UNICEF, Rotary International Polio Plus, the Red Cross, the EU, DfID, JICA, CIDA and Medecins sans Frontieres (MSF, Doctors without Borders) in polio eradication. All partners are equally involved in rejuvenating the routine immunization system. In nutrition, the key players in Nigeria include WHO, UNICEF, USAID, NPC and FMOH are the key players, working with Helen Keller International, National Primary Health Care Development Agency, Standards Organization of Nigeria, National Agency for Food and Drug Administration and Control, and the Federal Ministry of Information and National Orientation. The Roll Back Malaria Partners Forum, comprising USAID, WHO, UNICEF, MOH, DfID, UNDP, JICA, and CIDA have met regularly over the past three years.

USAID, UNFPA and DfID are the primary population, family planning and reproductive health donors. USAID and DfID have partnered to support a hugely successful contraceptive social marketing program and will continue to strengthen the partnership. The RH Development Partners Forum, comprising USAID, WHO, UNFPA, DfID, FMOH, Packard Foundation, International Project Assistance Services and the Society of Obstetricians and Gynecologists of Nigeria have met regularly since the year 2001 and had significant input into the National Reproductive Health Policy and the Strategic Framework.

In education, USAID/Nigeria co-chairs the Donors Coordinating Committee and programmatically works in close collaboration with the donors active in the education sector, including: the World Bank, UNICEF, UNESCO, DfID and JICA. The work UNICEF has done in Northern Nigeria with Islamic schools (in particular in curriculum development for literacy and life skills training) has both informed USAID's current program and opened the door for future activities.

Across sectors it will be necessary to improve the working environment for donor community coordination of interventions. This will involve continued informal contacts among core groups and consultations on programmatic and implementation levels of service delivery.



VIII. SO14: Reduced Impact of HIV/AIDS in Selected States

A. Statement of the Strategic Objective

USAID/Nigeria's new Strategic Objective for HIV/AIDS is SO 14: **Reduced Impact of HIV/AIDS in Selected States**. Through the provision of a comprehensive range of services concentrated in focal states, this SO aims to prevent HIV transmission and alleviate the suffering caused by HIV/AIDS. Prevalence will be stabilized among the general population and reduced among the most at-risk populations, and impact will be measured by reductions in HIV prevalence. A Sub-SO, **Increased Use of HIV/AIDS and Tuberculosis Services and Practices in Selected States**, supports the SO by promoting risk reduction and health seeking behaviors that are necessary prerequisites to changes in prevalence.

Nigeria's first confirmed case of HIV infection was recorded in 1986. The emergence of the epidemic over the next 13 years coincided with an extended period of military dictatorship in the country, which provided a negative environment for the development of a coordinated, proactive response to the HIV/AIDS threat. Denial and stigma were characteristic of the military era and the epidemic was essentially allowed to grow unchecked. When democracy was restored to Nigeria in 1999 the new government was confronted with a national seroprevalence rate of 5.4 percent among adults, or close to three million infections. These estimates have since risen to 5.8 percent prevalence and four million Nigerian men and women living with HIV/AIDS. Close to one million children have been orphaned by HIV/AIDS and millions of others have been socially, economically and/or psychologically impacted by the disease.

While the democratic transition has seen a strengthened national response to the epidemic, in the near term the outlook is devastating. Predictions are that there will be an exponential increase in the prevalence of HIV/AIDS; in the number of people living with AIDS who will suffer opportunistic infections (OI), especially tuberculosis, and will need treatment; in the number of women who will transmit HIV to their babies; in the number of orphans who will require care and support; and in the number of children under age five who will succumb to the illness. Some experts believe that there are

already shortages of teachers, farmers, and health and other essential professionals due to HIV/AIDS, and it is likely that this trend will increase in the years to come. The threat to security in the country and the region as a whole is enormous. The U.S. Central Intelligence Agency recently postulated that HIV/AIDS is a greater threat to world stability than terrorism, and Nigeria has been identified as one of five "next wave" countries that will double or triple HIV prevalence worldwide over the next decade.⁹⁷

USAID/Nigeria's SO14 will address this growing threat in selected Nigerian states through three intermediate results: **increased demand for services and interventions, increased access to quality services, and strengthened public, private and community enabling environments**. The SO is designed to contribute to the resolution of key constraints and barriers to the kinds of behavior change at all levels that is necessary to reducing the impact of the epidemic in Nigeria, and also expanding the availability of prevention, treatment, care and support programs. SO14 supports one Agency goal, The World's Population Stabilized and Human Health Protected.

B. Statement of the Development Problem

HIV and Tuberculosis prevalence: Over the past twelve years, HIV seroprevalence in Nigeria has more than tripled from 1.8 percent in 1991 to 5.8 percent in 2001.⁹⁸ The Federal Government of Nigeria (GON) currently reports that 4 million Nigerians live with HIV/AIDS and that 900,000 children have been orphaned by AIDS, though much higher estimates of the extent and impact of the disease have been made. Factors contributing to the rapid spread of the disease include high levels of untreated sexually-transmitted infections (STIs), low condom use, poverty, low literacy, poor health status, low status of women, stigmatization, and denial of HIV infection among vulnerable groups.

Although HIV prevalence in Nigeria is lower than in neighboring African countries, the prevalence rate should be considered in the context of the country's population of approximately 135 million and the quality of current surveillance efforts. Seroprevalence data, which are collected from women seeking antenatal care, need to be interpreted with caution because only 65 percent



of women seek care at antenatal clinics, and this varies by geopolitical zone.⁹⁹ It is also not certain to what extent the sentinel population in general and pregnant women in particular are representative of the national population. Behavioral surveillance of certain high risk groups has been initiated recently; a 2001 survey of prostitutes found that whereas nearly 100 percent of commercial sex workers had heard of HIV/AIDS and 80 percent knew that HIV is transmitted through sex, less than 40 percent knew that failure to use condoms increases risk, while only 24 percent knew that a healthy looking person could be HIV-positive.¹⁰⁰

While the exact number of HIV positive Nigerians may not be known, experts agree that the country has the highest number of HIV infected adults and AIDS orphans in West Africa, that it accounts for nearly 10 percent of AIDS cases worldwide and that the potential impact of the disease represents the number one security issue both for the country and the region as a whole. Along with Ethiopia, China, India and Russia, Nigeria is projected to be one of the five “next wave” countries that will double or triple the number of global HIV cases by 2010. This potential for explosive growth is fueled by the high proportion of young Nigerians and the early age of first sexual intercourse. People living with HIV and AIDS (PLWHA) are routinely stigmatized and denied basic rights, driving the disease underground and making it difficult to address.

Nigeria also has the fourth largest tuberculosis (TB) burden in the world with some 300,000 cases, but only 10-15 percent of active cases are detected. This is well below the target of 70 percent in directly-observed therapy (DOTS) designated areas. The DOTS treatment success rate was 79 percent in 2000; however, a high default rate of 11 percent keeps the treatment success rate below the global target of 85 percent.¹⁰¹ Of further concern is the rise in HIV-TB co-infection. HIV prevalence among TB patients has increased from 2.2 percent in 1991 to 19 percent in 2000. Approximately one million Nigerians are infected with both HIV and TB and another 50,000 will be added each year.

TB needs to be seen in two ways. First, it is a disease in and of itself. The strategy is also designed to contain and then reduce TB prevalence by increasing detection and successful treatment of the disease. Second,

TB needs to be seen in the context of HIV, which contributes significantly to increasing TB rates. Thus, the strategy is also designed to minimize the impact of HIV on TB.

The current state of the art points to DOTS as the most cost-effective prevention and treatment intervention for TB. Because TB is more easily transmitted than HIV, the best way to prevent TB transmission is to identify and then cure those with active infections. Government commitment is the cornerstone of any sustained TB control program.

Geographic areas: There is wide variation in HIV prevalence among the six geopolitical zones in Nigeria. The South-South zone has the highest seroprevalence (7.7 percent) and the North West the lowest (3.3 percent). According to a recent USAID assessment of northern Nigeria,¹⁰² zonal medians often mask state differences. Additionally there are many “hotspots”, locations such as junction towns where the probability of HIV transmission is high, that are not necessarily limited by state boundaries. TB may be especially prevalent in the North where providers have difficulty accessing TB medications.

Age profile: Based on sentinel surveillance data of women seeking antenatal care, **HIV prevalence is highest in young adults aged 15-29, at 6 percent in 2001, and is a shocking 1.7 percent among young women less than 15 years old.** Some 44 percent of Nigerians are under 15 years of age and have an early age of sexual debut. More than 25 percent of women have sex by age 15 and 50 percent by age 18.¹⁰³

HIV Transmission modes and most-at-risk populations (MARPs): Seroprevalence data on subpopulations other than women at antenatal clinics are not routinely collected on a national basis. Up to 15 percent of HIV transmission in Nigeria is thought to occur through blood transfusions; and women during pregnancy/childbirth and young children receive at least 70 percent of transfusions.¹⁰⁴

Very little has been done to identify, let alone assess the impact of at-risk populations on HIV transmission. Approximately 80 percent of Nigeria’s HIV infection is transmitted through heterosexual contact. Three MARPs are thought to account for most of this transmission.



These are prostitutes, long-distance truck drivers and members of the uniformed services. However, there are no recent seroprevalence surveys among prostitutes and no published surveys for their primary clients. Clients of prostitutes are thought to be important “bridge” populations for the spread of HIV from at-risk populations to the general population.

The most recent data indicate that HIV prevalence rose from 2 percent in 1988–89 among prostitutes in Lagos to 12 percent in 1990–91. By 1995–96, up to 70 percent of prostitutes tested positive.¹⁰⁵ A recent study carried out among a small sample of injecting drug users found that HIV prevalence was 8.9 percent, and among non-injecting drug users it was 10 percent. Prevalence among female drug users was 10 times higher than among men (44 percent compared with 4.2 percent).¹⁰⁶ Although the size of these populations is believed to be small, these high rates suggest that these groups may be significant transmitters of the disease. Two behavioral surveillance surveys were conducted in 1999 and 2001 of limited samples of prostitutes and some other presumed at-risk populations. The findings indicate little knowledge of primary modes of transmission, inconsistent condom use and low perceptions of personal risk.¹⁰⁷

C. USAID Achievements and Comparative Advantage

With the installation of a democratically elected president in 1999, USAID increased its support to Nigeria and renewed its ties with government. Priority was given to HIV/AIDS in the four-year transition strategy and funding has increased considerably over the past four years, from a total of \$5.5 million focused mainly on prevention from 1992-98 to an expanded program of \$36 million from 1999 to 2002. In FY 20002, USAID became the country's largest HIV/AIDS donor and in FY 2003, the HIV/AIDS budget reached nearly \$25 million, of which over \$5 million is designated for prevention of mother to child transmission (PMTCT) programs.

Transition strategy programming has focused primarily on increasing access to such comprehensive services as community-based care and support, voluntary counseling and testing (VCT) and behavior change interventions. USAID has been recognized for its support of capacity building efforts with 110

local NGOs (half of which are faith-based) and support to projects for PLWHA as well as people affected by HIV/AIDS (PABA). USAID initiated Nigeria's first two community based orphans and vulnerable children projects, and was also the first donor to support groups specifically for HIV positive women. Since 2000, USAID has supported Nigeria's uniformed forces to strengthen their HIV/AIDS activities, reaching a population of 600,000 service people with 2.5 million dependents.

Transition strategy programming also initiated a change in implementation style from targeting individual FBOs and NGOs to one that targets “multiplier” organizations. These organizations are national-level agencies that have many chapters or branches, such that a policy adopted at the national level is disseminated to the many local chapters. Initial work with organizations such as the Catholic Church (18 million congregants) and the Nigerian Labour Congress (6 million members) has demonstrated that targeting such institutions is an effective way of going to scale and of extending reach from the national to the grassroots level.

The program also supports national efforts in policy development, advocacy and, through the largest social marketing project in Africa, co-funded with DfID, a behavior change communication campaign promoting Abstinence, Being faithful, correct and consistent Condom use (ABC) and condom social marketing. In the past three years, condom sales have nearly tripled and with USAID assistance, a committee has been formed to create a unified national BCC strategy. Other major achievements include assistance to the Catholic Church's national HIV/AIDS policy, and ongoing care and support for over 6,000 PLWHA and OVC.

The Transition Strategy also began integrating HIV/AIDS across the portfolio. HIV prevention messages and counseling are integrated into family planning services and the White Ribbon symbolizing safe motherhood has been combined with the HIV/AIDS red ribbon to become the Red and White Ribbon symbol of PMTCT. OVC and PLWHA programs have included pilot efforts to mitigate the pandemic's impact, including microfinance and income generating activities. HIV/AIDS funding has supported efforts to build capacity at the National Assembly by focusing on sector related legislation and issues. Working closely with the



Embassy, the Mission was instrumental in the creation of the Nigerian Business HIV/AIDS Coalition and also worked closely with CDC to develop the nation's most comprehensive PMTCT activity to date.

Since 1999, the GON has shown greater commitment to fighting the AIDS epidemic, as evidenced by President Obasanjo's internationally recognized leadership role, the establishment of AIDS Action Committees at all levels of government, and its commitment of financial and other resources, including the creation of the largest anti-retroviral (ARV) program in Africa. USAID has responded by providing assistance to develop the HIV/AIDS Emergency Action Plan (HEAP) that guides the multisectoral national effort, and to draft the new national HIV/AIDS policy. The Mission has also provided intensive support to the National Action Committee on AIDS (NACA), including support for legislation to legalize its status, to hire critically needed key staff, and for a mapping of the sector's government and donor supported activities.

The current program is being implemented through several implementing partners (IPs). These IPs work through 110 local agencies towards the common objective: "Increased Use of Family Planning/MCH/STD and HIV Preventive Measures within a supportive Policy Environment." The Mission undertook a consolidation process toward the end of the transition phase that concentrated most HIV/AIDS activities in four states: Anambra, Lagos, Taraba and Kano.

D. Consultative Process

In developing SO 14 the Mission consulted with a broad range of government agencies at the national, state and local levels, international donors, faith-based and community-level organizations, academics, and representatives of the business and commercial sectors, including petrochemical companies. These exchanges provided the Mission with critical input from a large cross section of key actors in the public and private sectors across a wide range of topics. Most importantly, these consultations helped validate the selection of strategies that are likely to achieve the greatest impact in Nigeria while optimizing USAID's comparative advantage. For instance, the consultations confirmed the need for a

multisectoral, multifaceted approach led by key national, state and local institutions from both the public and private sectors. The meetings also confirmed the willingness and interest of key actors to work with USAID, such as the petroleum sector which welcomes USAID assistance in its work in the Delta.

Among the topics addressed were the formulation of the development hypothesis; creative approaches to achieve synergy with SO 13 and cross-cutting themes (gender, conflict mitigation, transparency and accountability, food security, and environmental protection); illustrative activities; geographic focus; target populations; culturally appropriate behavior change strategies; commodities and supplies; monitoring and evaluation; and the respective roles of USAID, the GON, and other partners.

To provide greater depth to the consultative process and an empirical basis against which to assess strategic choices, USAID conducted a series of assessments and studies during 2002-2003 (see Annex 2 for a comprehensive list). In addition to structured consultative meetings and formal assessments, USAID conducted formal and informal meetings with a variety of stakeholders, including PLWHA. The Mission conducted a number of consultations with NACA and the SACAs in Anambra, Lagos, Taraba and Kano states to register their needs and priorities. In collaboration with the U.S. Embassy, USAID created a U.S. Business Forum on HIV/AIDS that provided critical data on the needs of this sector and led to President Obasanjo's creation of a Nigerian Business Coalition against HIV/AIDS. USAID has also participated in recent national FBO meetings and has used these fora to explore further collaboration between USAID's HIV/AIDS strategy and FBOs at both national and state levels.

The SO 14 design incorporates the views and priorities of these stakeholders as well as lessons learned from prior experience in Nigeria, other African countries and developing countries worldwide. In particular the Mission has drawn on elements of African HIV/AIDS success stories, adapting ABC and VCT approaches from Uganda, and targeted intervention models for MARP from Senegal.



E. Development Hypothesis and Strategic Objective

SO14's primary focus is to prevent further HIV transmission, with reduced transmission of TB as an ancillary focus. The development hypothesis follows a logical chain of anticipated results. The rate of infection can be stemmed if individuals who are most at risk of infecting others or being infected reduce or eliminate risky behavior. This requires them to adopt key attitudes, to acquire a set of skills, and to be given access to appropriate services and interventions. By increasing the participation of public, private and community organizations demand for and access to treatment, care, support and prevention will increase. Finally, a supportive environment will address stigma, fear and discrimination at the community level, and effect legal and policy reform at the national level.

The hypothesis postulates that achievement of the demand, access and enabling environment IRs will result in significant changes in behavior that will lead to decreases in HIV/AIDS and TB prevalence, and will mitigate the impact of these diseases on vulnerable individuals, communities, and healthcare structures. Under the null hypothesis, there would be no change in behavior or HIV and TB prevalence.

SO 14 is designed to contribute to the achievement of Nigeria's HIV/AIDS and TB goals. It also conforms to USAID guidelines, and the Mission's overall strategic objectives and budget, and the Presidential initiatives on HIV/AIDS. Finally, it reflects collaboration with other donors, the private sector, NGOs and others that currently contribute to the national effort, or have plans to do so. **Within those broad parameters, the SO strategy is based on the following principles: the need to contain and then reduce HIV and TB prevalence; the importance of targeting the most at-risk populations (MARPs); the need to enlist the support and involvement of all sectors of society; the importance of a comprehensive approach – prevention plus treatment, care and support; and the requirement to show impact from increased investments.**

Target groups: A critical element of the strategy is the identification of the highest risk groups

and the geographic areas where they converge. In this regard, the strategy prioritizes HIV/AIDS target groups according to their potential to infect others. Despite the absence of adequate surveillance data, three distinct groups stand out as the principal carriers of HIV. These are prostitutes,¹⁰⁸ and long-distance truck drivers and uniformed personnel¹⁰⁹ who patronize the prostitutes. These groups have multiple partners, practice unprotected sex with their spouses and other non-paying partners, and are highly mobile. PLWHA are also a target group, not only because of their need for treatment and care, but because they are sources of infection. Within the PLWHA group, the strategy distinguishes between male PLWHA who infect their spouses and other males and HIV-positive pregnant women who can transmit the virus to their infants.

Recognizing that these four groups are not the only ones responsible for the transmission of the disease, USAID will monitor the emergence of new groups, including youth and men who have sex with men (MSM), through continued mapping of hotspots, increased behavioral surveillance and strategic linkages with networks and unions that can provide access to these groups. USAID will also fund studies by Nigerian social scientists familiar with the drug, prison, and long distance women trader milieus to determine entry points and strategies for working with these high risk populations.¹¹⁰

For TB, the primary targets are both HIV uninfected and HIV infected individuals with active disease, and TB infected PLWHA who are at risk of developing active disease. Infected individuals can infect others merely by being in close contact with them, and PLWHA are especially susceptible to co-infection because of their weakened immune systems.

At the treatment, care and support level the chief target groups will be PLWHA, and orphans and vulnerable children (OVC). A secondary target will be families of those affected by HIV/AIDS with a focus on support to family members who take on the role of head of household.

Indicators:

Nigeria is considered a "high prevalence" country and is classified as a "Priority Intensive Focus Country" under the Agency's Expanded



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Response program. Such countries are expected to meet the following targets by 2008:

- Reduce HIV prevalence rates among those 15-24 years of age by 50 percent;
- Ensure at least 25 percent of HIV/AIDS-infected pregnant women receive a complete course of antiretroviral prophylaxis to reduce the risk of mother-to-child transmission;
- Enable local institutions to provide basic care and psychological support services to at least 25 percent of HIV-infected persons;
- Provide community support services to at least 25 percent of children affected by AIDS.

USAID will monitor progress by closely tracking two indicators:

- HIV seroprevalence among men and women aged 15-24 years;
- HIV seroprevalence among MARPs.

F. Critical Assumptions

The strategy is based on several critical assumptions that must remain true during the projected period to ensure optimum performance:

- The government of Nigeria, NACA and the FMOH will sustain and build on their current interventions;
- NACA will mobilize a multisectoral response to HIV/AIDS;
- The State Action Committees on AIDS (SACA) in target states will make commitments to state level AIDS responses;
- The Global Fund awards will be disbursed and managed efficiently;
- The GON, with support from the Global Fund, will ensure availability of ARVs;
- CDC/GAP participation will continue at current or increased levels.
- There will be stability and continued commitment of petroleum companies in the Niger Delta.

G. Intermediate Results

Sub-SO14: Increased use of HIV/AIDS and TB Services and Practices in Selected States

The Sub-SO reflects improvements in behavior (use of services as well as adoption of healthy practices). It will be measured by a number of coverage (performance) indicators in the target states. The Mission will also report behavior change among the general population nationwide.

Coverage level indicators in target states:

- HIV+ pregnant women receiving complete course of ARV prophylaxis;
- HIV+ clients receiving home-based care;
- Active TB cases detected;
- Active TB cases successfully treated.

Behavioral level indicators:

- Percentage of sexually active population with multiple partners;
- Condom use last risky sex;
- Median age at first sex among young men and women.

IR 14.1: Increased Demand for HIV/AIDS and TB Services and Practices, Especially Among Selected Target Groups

Demand is a precondition or antecedent to such key disease control behaviors as taking preventive actions or utilizing treatment and support services. Demand is an intention to adopt a behavior (abstinence, delayed sexual debut, condom use, seeking VCT, etc.) and requires the generation of adequate knowledge, skills and social reinforcement to be realized. Demand generation here is also conceptualized as creating desire for new community norms and thus, alternatives to such behaviors as multiple partners, sexual violence and discrimination arising from stigma. BCC/demand creation strategies will be aimed at creating demand for HIV/AIDS preventive actions, products and services for HIV/AIDS treatment, care and support services and for detection and treatment of active TB cases.

Illustrative Indicators:

- Number of clients seen at VCT centers;
- Demand for access to DOTS treatment;
- Number of PLWHA and OVC requesting access to care and support services;
- Number of pregnant women accepting



testing for HIV.

Illustrative Activities:

- Increase BCC/demand creation among most at-risk populations, including PLWHA, for adoption of risk-reduction behaviors and use of VCT;
- Increase BCC/demand creation among PLWHA and OVC for quality services;
- Increase BCC/demand creation among the general population about DOTS;
- Increase BCC/demand creation for pregnant women in high-risk situations to utilize PMTCT and MTCT plus services.

IR 14.2: Increased Access to Quality HIV/AIDS and TB Services, Practices and Products in Selected States

As the previous IR takes steps to increase demand for services and products, this IR takes complementary steps to expand access so that demand can be filled. Services and products will include PMTCT, VCT, secondary prevention of STIs and condom social marketing. Those who are infected with HIV will have access to TB services to ensure that active TB cases are treated appropriately and prevention programs are instituted where needed. The joint USG PMTCT initiative, USAID collaboration with FMOH and the Global Fund treatment programs, and its leadership in support of PLWHA groups will form the basis for the expansion of treatment and care activities. Under the banner of the White and Red Ribbon social mobilization campaign, the PMTCT activity will provide the natural platform from which to provide new mothers, their partners, and their infected children with ARVS and other services.

Illustrative Indicators:

- Number of USAID-supported VCT centers;
- USAID-assisted ARV treatment programs;
- USAID-supported community and home-based care and support services;
- Clients receiving services from USAID-supported programs.

Illustrative Activities:

- Expand voluntary counseling and testing, especially for MARP;
- Expand treatment and care for PLWHA;
- Expand support for OVC and PLWHA.

IR14.3: Strengthened Public, Private and Community Enabling Environments

HIV/AIDS is a socially and culturally sensitive issue in Nigeria. Yet an effective national response requires dialogue and open discussion of the development impact and challenges posed by the epidemic. It requires transparent political leadership committed to constructing an enabling environment for sustainable policy, legal and community responses at all levels. In collaboration with other donors, this component of the strategy will strengthen political commitment and capacity at the national, state and local levels. The objectives will be to increase national political and financial support for HIV/AIDS interventions; to strengthen state and local government capacity to plan, monitor and evaluate interventions; to strengthen the health systems needed to provide adequate services; to increase community involvement; to broaden multisectoral collaboration with other sectors and partners; to promote public-private partnerships; and to improve the surveillance, monitoring and evaluation systems.

Illustrative Indicators:

- Number of multiplier organizations receiving capacity building;
- Number of public-private and private-private partnerships;
- Development of legislation favorable to HIV programming and PLWHA;
- Regular availability of reliable MARP data.

Illustrative Activities:

- Strengthen multiplier organizations nationally and in target states;
- Strengthen private sector involvement and support public-private and private-private partnerships;
- Build capacity of national and state legislatures to establish policy, legal and regulatory frameworks;
- Strengthen and expand second-



generation HIV surveillance, especially among most at-risk populations.

H. Geographic Focus

Target areas and hotspots. Nigeria is one of the world's most populous countries and as such USAID/Nigeria has been given the option to limit its assistance to one or several states. Criteria for geographic selection are outlined in the adjoining box. But it must be noted that working in all six geopolitical zones is a political imperative for the Mission. Ethnic and regional rivalries are such that that Mission cannot be perceived as favoring one zone of the country over another. In a recent meeting with the new Minister of Health, USAID was commended for its geopolitical diversity, i.e. specifically for not showing preference for one zone over another.

Box 7: Target State Selection Criteria

Critical need
Opportunities for synergy with other SOs
Opportunity to address cross cutting issues
Presence of other donors
Ability to build on past investments
U. S. national interest
Potential to achieve results and impact
Population coverage
USAID comparative advantage
Opportunity for scaling-up, replicability and sustainability

The states selected represent 25 percent of the national population and at least 23 percent of the national HIV burden. Accordingly, the SO strategy concentrates its efforts in seven priority areas (six states and the FCT) that reflect the diversity of the nation (and the epidemic) and also offer USAID the opportunity to exploit its comparative advantages for achieving impact. One state has been selected from each of Nigeria's six geopolitical zones plus the Federal Capital Territory of Abuja. These are **Lagos (SW), Kano (NW), Anambra (SE), Bauchi (NE), Nasarawa (NC), Rivers (SS) and the Federal Capital Territory (FCT)**. Within each target state, interventions will focus on high risk areas, or "hot spots" where MARP converge. Some activities, such as social marketing, technical assistance to the uniformed forces, surveillance, and high level policy and advocacy efforts will be conducted on a national scale.

Saturation states: Lagos, Kano, FCT and Anambra. These four states account for 19.5

million population and 420,000 HIV cases. HIV prevalence ranges from 3.5 to 10.2, which provides opportunities for different strategies to maintain relatively low prevalence in some areas while addressing the impact of high prevalence in others. These states will receive the highest level of resources to maximize impact on HIV prevalence. All key interventions, including TB detection and treatment, will be phased into these four states to cover the entire state with demand creation, expansion of access to services and development of a supportive enabling environment. All priority target groups proposed previously will be included, as will all of the various implementing organizations (i.e., multiplier organizations, NGOs, SACAs, LACAs, FBOs, labor unions, and CBOs). Emphasis will be placed on the Presidential Initiative priorities for reducing HIV prevalence and increasing treatment, care and support.

These states all have PMTCT programs supported by USAID, CDC, FMOH and UNICEF. USAID and CDC will undertake a major effort to expand PMTCT services to all secondary and primary MCH center staff in these four states, and under the banner of the White and Red Ribbon, will implement state-wide social mobilization campaigns in support of PMTCT. Later, depending on funding levels and agreed-upon GON, USAID and CDC priorities, services could be extended to other USAID focus states. The joint USAID/CDC centers of excellence have the potential for implementing integrated HIV/TB programs.

Outreach interventions will be expanded to all hotspots in at least two of these states to achieve maximum impact on HIV prevalence. Complementary coverage will be expanded through FBOs to increase treatment, care and support services for HIV and CAA target groups. Finally, USAID will support a safe blood pilot initiative in FCT.

FBO multiplier states: Nasarawa and Bauchi: HIV prevalence is high in both of these states, at 8.1 and 6.8 respectively. The total population is 5.3 million with 190,000 HIV cases. Financial support and technical assistance will be provided to FBOs in these two states to expand key prevention, treatment, care and support services to at-risk populations, with a focus on reducing HIV prevalence among MARPs and increasing care and treatment for PLWHA and OVC, as well as TB detection and treatment.



USAID will provide technical assistance and funding to get priority activities going, but the FBOs will be expected to learn to work with the State AIDS Coordinating Agencies, other NGOs, community leaders and others to strengthen the enabling environment in the state, create demand and improve access to services. This will be a pilot effort that, if successful, could be replicated in other states where faith-based multiplier organizations are strong.

GDA State - Rivers: HIV prevalence is high in Rivers at 7.7 percent with 169,000 HIV cases in a relatively large population of 4.2 million. USAID intends to broker partnerships between petroleum companies and implementing partners who can deliver technical assistance for the provision of key HIV/AIDS and TB services to their employees, their families and communities. The petroleum companies will use their own resources to finance the activities. USAID will encourage the companies to form private-public and private-private partnerships to expand their interventions beyond their own doors. Rivers will also serve as a critical launching pad into the other oil rich Delta states for replication of successful partnership models.

I. Cross Cutting and Converging Themes

Gender: Gender inequalities and gender violence breed vulnerability, dis-empowerment, oppression and isolation. In practical terms, these inequalities inhibit demand and constrain access to HIV/AIDS and TB information and services for both men and women. The disproportionate risks and impact of HIV/AIDS on women are well recognized. In the Nigerian context, a complex interplay of social, cultural and economic factors relegate women to lower status thereby increasing their vulnerability both to HIV and TB infection and decreasing their access to resources and services. In the North, for instance, seclusion is a major constraint to women's access to services and in the South, female genital cutting and denial of property inheritance magnify infection risks. Another factor is the reality of ethnic tensions and violence that make women vulnerable to rape and thus HIV infection.

Cultural norms that condone or encourage men to adopt risky sexual behaviors also inhibit male demand for and access to HIV/AIDS services. In Nigeria's cultural setting men exert absolute advantage in sexual relations and many men

have difficulty acknowledging their limited knowledge about RH and HIV/AIDS. These factors help drive virus transmission. Consequently, the strategy places emphasis on male behavior change interventions, both to increase awareness and demand and to increase use of preventive services and adoption of risk-reduction practices. The strategy also emphasizes changing the community norms to those that allow both men and women to adopt positive behaviors and then sustain behavior change.

SO 14 will strengthen and expand the capacity of multiplier organizations, especially women's networks, to generate demand and promote access to services and education by women. It will strengthen their capacity to provide care and support to HIV positive clients and their families, including impact mitigation through micro-enterprise and food production activities. The multiplier organizations will also be taught how to assist women to develop the needed skills to negotiate safer sex practices. SO 14 will support advocacy networks to mobilize constituencies for changes in laws and policies to protect the legal and human rights of women as well as PLWHA and OVC. Building from the community, to the state, to the national level, the USAID-supported "100 Women's Group" model will be applied to advocate for changes in legal and cultural practices that affect women negatively.

Gender analysis will be systematically applied to the design of targeted interventions for MARP to take into account the specific needs and constraints faced by men and women in their various occupations or situation in society. For instance, USAID will support increased access to risk-reduction products such as STI treatment kits, female condoms and lubricants. The promotion of culturally appropriate, gender-sensitive behavior change approaches with all target groups will be mandatory.

Conflict: Pockets of ethnic tensions and violence persist throughout the country. In the South, mutual distrust between civil society and petrochemical companies continues to fuel a history of conflict in the region. There is evidence that conflict and violence increase the risk and impact of HIV and AIDS by disrupting families and internally displacing people from communities of origin, by exposing civilian women and youth to sexual violence and



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exploitation. Further, care and support programs must be anchored in a rights-based approach to protect the fundamental rights and dignity of the individuals and groups addressed by the interventions.

SO14 will support programs for women, youth, PLWHAs, OVCs and others affected by conflict to become spokespersons to promote legal and human rights, reduce stigma, strengthen care and treatment and make prevention messages more relevant. SO14 activities will as a matter of course incorporate inclusive, participatory processes that foster collaborative engagement of all stakeholders, promote human rights and support an enabling environment. Under the GDA initiative, relations between civil society and multinational companies will be strengthened through the development of social responsibility and workplace-based HIV/AIDS programs.

Food Security: The burden of AIDS on PLWHA and their families goes beyond health and includes economic hardship and psychosocial distress. The economic consequences of the disease are quickly felt when the main income earner can no longer work to feed his/her family, and stigma and discrimination restrict access to outside assistance. Further, treatment outcomes of PLWHA are limited in the absence of proper nutrition. The most critical need becomes food security to sustain the health of PLWHA and to help feed their families.

As noted above, SO 14 will work with multiplier organizations, especially FBOs, the PLWHA network and women's networks, to enable their members to provide care and support to HIV positive clients and their families, including impact mitigation through micro-enterprise and food production activities. FBOs especially, whose mission includes acts of charity and mercy, are perfectly placed to provide sustainable services in these areas. FBOs will also be encouraged to address the duration and expenses related to funerals in order to protect the resource base and thus food security. Support to the PLWHA network will also include nutritional training that enable members to identify the highest nutrient/lowest cost available foods. PMTCT activities will include full information on breast-feeding and weaning practices.

Environment: Large-scale environmental impacts are not likely under SO 14 as development of physical infrastructure will be limited. However, clinical interventions such as blood screening and treatment of PHWLA will result in the generation of medical and bio-hazardous waste, and safe disposal mechanisms will need to be put in place. Training of clinical and laboratory personnel in universal precautions will include safe disposal of medical waste products. SO 14 will ensure that all drugs procured, distributed and marketed are of an acceptable quality standard as recommended by the Food and Drug Administration (FDA) and/or WHO and the Nigeria Food and Drugs Agency.

Transparency: The SO 14 Enabling Environment IR will target legislators to build commitment and transparent leadership for HIV/AIDS activities. Principles of transparency and accountability will be central to sensitization and training efforts on constitutional responsibility, oversight of policy implementation, and budget formulation and reporting.

Civil society's role will continue to be strengthened to ensure a productive partnership with the public sector based on transparency and accountability. Advocacy activities conducted by media, PLWHA, NGOs and FBOs can continue to push for increased transparency and accountability in HIV/AIDS programs at the national, state and local levels.

Public-Private Partnerships: USAID's Africa Bureau, Office of Sustainable Development and the Mission worked with a former Coca-Cola executive to design and test a model for private-public partnership to address HIV/AIDS. The aim of this partnership was to bring the private and public sectors together and to help the private sector engage in and take ownership of the national HIV/AIDS strategy. The involvement of key high-level stakeholders (US ambassador, the President of Nigeria and the USAID mission director) has led to the formation of National Business HIV/AIDS Coalition. The Coalition is led by President Obasanjo and two of the most influential business leaders in the country and serves as the strategic meeting point where all partners can use their core competencies synergistically to combat HIV/AIDS.



This partnership is still evolving, growing and changing. For the first time, leading US corporations doing business in Nigeria have joined forces with the Nigerian business community and the public sector to fight AIDS. This public-private partnership is allowing the private sector to apply its core competencies to each aspect of Nigeria's AIDS program; in policy formulation, project design and implementation. The Business Coalition will continue to be a major activity under SO 14.

J. Linkages

- To other SOs

SO11: HIV/AIDS funding has supported D&G efforts to build capacity at the National Assembly by focusing on legislation to legalize NACA's status and to provide support to the parliament's HIV/AIDS committee. Under SO 14, additional efforts might include working with the National Assembly to leverage greater HIV/AIDS resources and to address legislative issues around stigma and discrimination and gender. As conflict creates an environment that increases risk of HIV transmission, SO 11 efforts at mitigation is another potential area of integration (e.g. with SO 14's program with the military).

SO12: Past work in OVC and PLWHA programming has included initial attempts to integrate micro-credit and other income generation activities and the PMTCT. Lessons learned from these experiences will inform future efforts to integrate PLWHA, OVC, and their caregivers into SO 12 programming (e.g. the SO 12 micro credit program). The Mission's pioneering work in establishing the National Business HIV/AIDS Coalition provides an ideal platform from which to launch additional ventures with SO 12 and it will investigate other legitimate uses of HIV/AIDS funding to mitigate the economic impact of AIDS on families.

SO13: SO 14 is designed to expand current HIV/AIDS activities in FP/RH and CS programs. HIV prevention messages and counseling are already integrated into FP services and the White Ribbon symbolizing Safe Motherhood has been combined with the HIV/AIDS red ribbon to become the Red and White Ribbon symbol of PMTCT. By including SO13's PTAs and other community groups, SO 14 will expand the work done with the teachers' union to integrate family

life education into upper primary school in a manner consistent with the communities' cultural and religious values. A planned study of the impact of HIV/AIDS on basic education should identify additional areas of intervention.

- With Agency/Presidential Initiatives and regional programs

Emergency Plan for AIDS Relief: Due to the gravity of its HIV/AIDS situation, Nigeria is classified by USAID as one of the priority countries for HIV/AIDS assistance and by the White House for support under the Presidential Emergency Plan for AIDS Relief (PEPFAR). Along with an increase in funding, the initiative will bring greater accountability and reporting requirements for USAID-supported programs and activities. The Bush Administration has directed USAID to strive for "speed, scale and results" that are directly attributable to the increased investments.

Nigeria is likely to receive significant amounts of funding over the next few years to combat – and conquer – the HIV/AIDS threat. Strings are attached. Nigeria will be expected to perform, by reducing HIV prevalence and the effects of AIDS on its population, economy and social structure. This is a serious commitment with serious expectations for solving this problem. USAID/Nigeria has taken these additional funds and expectations into account in developing its strategy. The Mission will use these increased resources to introduce ARV and Opportunistic Infections treatment and PMTCT, and to expand significantly its OVC and PLWHA care and support programs.

WARP: USAID/WARP (West Africa Regional Program) is a five-year effort to build regional capacity in key HIV/AIDS prevention and care areas and to reinforce policies, norms and procedures in the sub-region through increased advocacy and policy development. The West African Health Organization (WAHO) will receive long-term technical assistance to enable it to play a leadership and coordination role. A service delivery component will fund and disseminate best practices and promote the extension of cross-border activities along West Africa's major transport corridors. WARP's investment to date has generated proven strategies and tools for reaching high-risk mobile populations that can be replicated and adapted



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across the region. A co-funding scheme similar to the successful one in Southern Africa is being developed to fund the Douala-Lagos-Lome transport corridor. SO 14 will support implementation of this activity in Nigeria to reach highly mobile MARP such as prostitutes, long distance truckers, and uniformed personnel.

- With GON programs and initiatives

GON Initiatives: The Mission will continue as a major supporter of all major GON initiatives. The design of SO 14 is based on the HIV/AIDS Emergency Action Plan (HEAP), which in President Obasanjo's words, is Nigeria's "Battle Plan" in the fight against HIV/AIDS." USAID and CDC are two of the GON's four major partners in its PMTCT program and this support will intensify under SO 14. USAID and CDC are also among the main partners in the GON's ANC and high risk prevalence surveys. Finally, under SO 14, USAID will play a major role in the GON's ARV program, the largest in Africa.

Global Fund for AIDS, Tuberculosis, and Malaria: GFATM or GF was established in 2002 to increase available resources to fight three of the world's most devastating diseases. It is intended to complement existing assistance programs by attracting, managing and disbursing additional resources. Nigeria has been awarded funds in Round 1 for ARV, PMTCT and NGO capacity development. In Round 2 funds were awarded for TB and malaria with a minimal amount for HIV/AIDS. Nigeria submitted requests in Round 3 for youth programs (with UNICEF), programs for orphans and vulnerable children (OVC) and programs through faith-based organizations. No funds have been distributed as yet but USAID sits on the Country Coordinating Mechanism (CCM) and along with NACA, UNAIDS, the World Bank, and DfID is very involved in ensuring that these funds complement and will create synergies with those of other donors.

NACA, SACA and LACA: SO 14 IR involving Strengthening the Enabling Environment will in large part involve building the capacity of NACA, the seven target SACAs and their respective LACAs to improve their performance and to achieve demonstrable results. The Mission has established a highly productive relationship with NACA that includes the provision of critically needed key staff and support for national "platform" efforts such as the interfaith and

business councils. Lessons learned both from USAID and CDC work with SACA and LACA suggest that these structures need resources such as computers and training (e.g. in advocacy) to function effectively and to promote coordination and collaboration among donors and the various other actors in their jurisdictions. SO 14 is designed to build upon and expand all these efforts.

- With other donors

Under the Transition Strategy, the Mission has worked assiduously to strengthen relationships with other major donors such as DfID, CIDA, the World Bank, the UN Community, and other USG agencies. A major component of SO 14 will be the PMTCT Initiative jointly supported with CDC, UNICEF, and AIDS Prevention Initiative Nigeria (APIN).and USAID will also work with CDC and WHO to support the ANC and MARP prevalence surveys. The Mission will also continue collaboration with the military programs of the Department of Defense and Labor and with the DOL's SMARTWork Project. USAID, the State Department, and DOL have worked closely together in build the National Business HIV/AIDS Coalition. Other major donor related partnership activities that will continue or be expanded under SO14 are joint DfID/USAID funding of the largest social marketing program in West Africa, support to the national BCC committee, and support to UN Theme Group committees and the Country Coordinating Mechanism of the Global Fund. The World Bank IDA Credit Program, APIN, and USAID are currently developing a pilot effort to write joint action plans in three states (Plateau, Lagos, and Benue) in which at least two of the donors work. Using lessons learned, this effort will then be applied to other joint focus states.



IX. Performance Management

Introduction

USAID/Nigeria is moving from a Transition Plan that required very rapid scaling-up of the program, to a full five-year sustainable development strategy. The CSP is marked by a high degree of integration within and between Strategic Objectives, and a strong focus on managing for results and attaining broad-based impact. Program integration will allow us to build effectively on existing synergies and collaborative activities between sectors to a much greater extent than was possible during the transition phase. The Mission anticipates being able to develop new, innovative cross-sectoral programs that will contribute to the achievement of results under more than one SO. Such an integrated program will require new approaches to and significant investments in performance monitoring and management.

In 2001 the Mission finalized a performance monitoring plan for the Transition Strategy. This provides a framework on which to build the PMP for the new strategy. Some of the indicators used to measure performance under the Transition Strategy will be retained moving forward into the CSP, while others will be discarded or revised to reflect the new directions being taken in the new integrated program. USAID/Nigeria also recognizes that some of the performance measures and targets presented in the existing PMP were too ambitious and did not take into account the realities of the Nigerian environment, while others were not ambitious enough. In some sub-sectors the Transition Strategy overestimated the capacity of Nigerian institutions in both the public and private sectors and created very high expectations which could not always be realized. On the other hand, the Mission adopted a cautious approach vis-à-vis those sectors in which it had not historically been engaged prior to the democratic elections of 1999, and proposed many indicators that did not adequately reflect program achievements and impact. The provisional performance measurement plan submitted with this CSP attempts to strike an appropriate balance between the need to demonstrate impact and the uncertain capacity of many of the institutions with whom we must partner.

Cross-cutting Mission Approaches

Analytic Agenda: Nigeria is a notoriously data-poor country. Over the past year the Mission has endeavored to fill some of the gaps by conducting an exhaustive inventory of analyses and assessments. These are detailed in Annex 2. As additional data needs are identified as the new strategy is implemented, the Mission intends to continue its efforts to improve the empirical grounding of its programs. Each SO team will update its analytic agenda annually and share it with Mission colleagues as part of the Annual Portfolio Review process. Each team will thus benefit from broad-based interaction and dialogue and can develop plans for collaborative analytic efforts that will address needs across strategic objectives.

Personnel and Training: In 2001 the Mission hired a full-time USPSC Performance Monitoring Specialist, who is housed in the office of Program and Project Development, and who provides technical support services to all of the SO teams. The Mission has already provided PAL training to 30 staff from SO teams and support offices. Recognizing the need for further training and enhanced skills at the team level, the Mission intends to implement performance management training in Abuja, again to a broad cross-section of technical and support staff, in order to institutionalize these skills within offices and teams.

Monitoring and Evaluation Contract: USAID/Nigeria intends to put into place a performance monitoring and measurement contract that will provide core services and technical assistance to all of the SO teams and their implementing partners in indicator definition, data collection, data quality assessment, design of baseline studies, and data requirements for annual reporting purposes. The contractor will also provide additional services and conduct special studies on a buy-in basis, thus providing the Mission with both strength and flexibility in meeting performance management needs and requirements. USAID will also institute a requirement that all implementing partners submit performance monitoring plans for review and approval. The Performance Monitoring Specialist and dedicated team M&E points of contact will work with CTOs and activity managers in each team to ensure that these PMPs conform to ADS requirements. This will ensure that all IPs are able to provide the



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Mission with timely data that directly supports the Mission's own PMP.

SO level Approaches

SO11: The SO11 team is the most resource constrained of the SOs in the new strategy and was also seriously hampered from reaching its objectives under the Transition Strategy because of the very low capacity of the institutions with which the team worked – the National Assembly, the Independent National Electoral Commission, and civil society organizations. As an initial step in the new activities designed to support the CSP, SO11 has built needs assessments into the new procurements so that technical assistance can be more specifically tailored to the requirements of each organization, and has also placed greater emphasis on assisting their implementing partners to build their performance management capacity. This SO also anticipates receiving resources from other SOs to implement cross-sectoral programs and will collaborate closely with their partners in the Mission to track and report on the results achieved by these investments.

SO12: In agriculture, environment and economic growth, the SO12 team has forged a partnership between the International Food Policy Research Institute (IFPRI), the International Institute of Tropical Agriculture (IITA), and the University of Ibadan, Nigeria, to provide analytical services and develop analytical tools for the team. The initial reports from this partnership guided the design of the SO and preliminary investment decisions. Over the course of the CSP this partnership will provide high-quality, reliable and timely data for planning, refining the policy agenda, guiding investment choices, and measuring results. As part of the process of selecting the draft performance indicators that will be used to measure the achievement of the SO and the intermediate results, the SO team also developed a scope of work for a community-based survey that will provide baseline data for the PMP.

SO 13: The social services SO will be the primary client of planned Demographic and Health Surveys that are intended to provide much of the information needed for performance management. Previous surveys were conducted in Nigeria in 1991 and 1999. Data collection for

the 2003 DHS is ongoing through August 2003, in collaboration with Macro International, Measure DHS, and the Nigerian Federal Office of Statistics, and preliminary results are expected in September/October 2003. To complement earlier supply-side assessments of education carried out with the Ministry of Education, for the first time ever the Nigeria DHS will also include the education data or EdData module which will provide unique information on the demand side of the education sector. These results will be available (when). These surveys will be repeated in 2007/2008 and will be a leading source of data for reporting impact at the SO level at the end of the planning period.

SO14: As an expanded response country and recipient of funds under the Presidential Emergency Plan for AIDS Relief and the PMTCT Initiative, USAID/Nigeria has significant mandatory reporting responsibilities and performance targets in the HIV/AIDS sector. The Nigerian Ministry of Health conducts sentinel surveillance surveys at antenatal clinics in alternate years that are the basis for seroprevalence data. There is concern that these surveys are flawed, both because only two-thirds of Nigerian women use these services and because the rigor with which they are conducted is questionable. The SO14 team will collaborate closely with CDC, which has unique strengths and capabilities in institutionalizing sentinel surveillance systems, to upgrade the quality of data emanating from these surveys. The DHS is also an important tool for providing SO14 with data to address mandatory reporting requirements.

USAID/Nigeria has made a substantial commitment to performance management both in terms of personnel and in financial resources. We estimate that at minimum 5 percent of annual program resources, or at least \$3 million per year, will be directly or indirectly expended on the Mission's performance management responsibilities.

The following tables present prospective indicators, definitions, and data collection responsibilities. Over the next year the Mission will work to finalize these tables and complete the performance management "package" of indicator data template, performance indicator table, and data quality assessment for each Strategic Objective and Intermediate Result.



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Performance Management Plan for SO 11: Strengthened Foundations for Democratic Governance

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE	BY WHOM (PERSON/ TEAM)	SCHEDULE/	BY WHOM (PERSON/ TEAM)
SO 11: Strengthened Foundations for Democratic Governance							
1. Level of public confidence in democratic institutions increased	Definition: Measures public satisfaction with elections/elections institutions, legislature, and political parties particularly the extent to which citizens see that their Civil liberties are being guaranteed Unit of Measurement: Percent, sex-disaggregated	Annual Afro-barometer or Nigerbus survey	Survey questionnaire	Annually	Contractor		
2. Client satisfaction with selected government services	Definition: This is a survey index that measures citizen's satisfaction of targeted government service providers. Unit of Measure: Percent	Mission M&E Contractor	Survey	Annually	Contractor		
IR 11.1: Increased Civic Awareness, Advocacy, and Empowerment							
1. Civil society input reflected in targeted policies	Definition Inputs defined as concerns, interests or positions articulated by CS and accepted by targeted public institutions. This indicator would measure both supply (responsiveness of government to people's interest) and demand side (participation in public processes) of DG assistance. This will also capture the result of the mission's social sector advocacy. Unit of Measurement: Number and percent	Official documents of selected govt. institutions and Partners annual reports	Content Analysis	Annually	DG Team	Annually	
2. Civil society advocacy capacity improved	Definition: This indicator is a count of the efforts of target CSOs that achieved set objectives as a ratio of their overall advocacy efforts Unit of Measurement: Numerical index	Quarterly performance report	Count	Quarterly	DG Team		
3. Organizations advancing human rights issues	Definition: This is a count o f groups supported by USAID that promote human rights issues (esp. women's rights). Unit of Measurement: Number	Partners Quarterly and Annual reports	Content analysis of quarterly reports	Quarterly	DG Team		
4. Individuals trained to become self reliant	Definition: This is a measure of efforts to promote economic independence, especially among women. Unit of Measurement: Number, sex-disaggregated	Quarterly/bi-annual reports	Quarterly reports validated by CTO site visits	Quarterly reports	DG Team		
IR 11.2: Increased Accountability of Key Institutions							
1. Number of corrupt public officials prosecuted	Definition: This is measure of increased capacity of government institutions to implement anti-corruption policies. Unit of Measurement: Number	Partners performance quarterly reports	Content Analysis of reports	Quarterly	DG Team		



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PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE	BY WHOM (PERSON/ TEAM)	SCHEDULE/	BY WHOM (PERSON/ TEAM)
2. Citizens' awareness of public official's roles and responsibilities	Definition: This indicator measures citizen's awareness of public officer's roles and responsibilities, and the extent to which they can be held accountable for their actions Unit of Measurement: Percent	Annual Afro-barometer or Nigerbus survey	Survey questionnaire	Annually	Contractor		
3. Budgetary allocations in targeted sectors increased	Definition: This is a measure of the responsiveness of government institutions to citizen's well-being in target sectors - health, HIV/AIDS, agriculture and education Unit of Measurement: Percent	Related public official document	Sectoral Budget trend analysis	Annually	DG Team		
IR 11.3: Enhanced Credibility of Electoral process							
1. Voters correctly registered	Definition: This indicator demonstrates the capacity of electoral institutions to proactively manage the voter registration process Unit of Measurement: Number and/or percentage	INEC voter register	Voter's registration trend analysis		DG Team		
2. Reported election irregularities	Definition: This is a measure of the increasing capacity of electoral institutions to conduct elections Unit of Measurement: number	International and domestic election observation reports	Content analysis of reports		DG Team		
IR 11.4: Strengthened Capacity for Conflict Management							
1. Number of assisted CSOs taking action to mitigate conflict	Definition: Groups that have received training or resource support who have taken specific action either to mitigate or to manage a conflict Unit of Measurement: Number	Partners Quarterly report and Activity Manager's field report	Content analysis of reports		DG Team		
2. Civil Society organizations with improved conflict management skills	Definition: Measures increased capacity of civil society to manage conflict in the course of advocating for policy change Unit of Measurement: Number	Count of organizations	Quarterly and sight visit reports analysis		DG Team		
3. Conflict interventions implemented by IPCR	Definition: This indicator demonstrates increasing conflict management interventions by IPCR taking place. Unit of Measurement: Number	Quarterly reports	quarterly and sight visit reports analysis		DG Team		



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Performance Management Plan for SO12: Improved Livelihoods in Selected Areas

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
Strategic Objective 12: "Improved Livelihoods in Selected Areas"							
1. Volume of selected commodities/ products	Definition: Selected commodities/products defined annually by SO Team within target states. Cassava and cowpeas are initial commodities and potential products include honey, other non-timber forest products, and value added. Unit of Measurement: MT for commodities and units as appropriate for each product, disaggregated by state and sex.	Survey conducted by IP.	Annual survey of farmers/producers in selected areas by commodity/ product. Baseline taken for each commodity/ product.	Annual survey	SO12		SO12
2. Value of selected commodities/ products	Definition: Value is the sum of sales data collected in Naira converted to dollars. Selected commodities/products are as defined in Indicator 1 above. Unit of Measurement: Dollars disaggregated by commodity/product and state.	Survey conducted by IP	Annual survey of farmers/producers in selected areas by commodity/ product.	Annual survey	SO12		SO12
3. Increased income from selected commodities and products	Definition: Increases in cash Income generated from sales of selected agricultural and natural resource commodities and products Unit of Measurement: percentage over baseline by commodity/product.	Survey conducted by IP	Annual customer survey, etc., as in Indicators 1 and 2 above.	Annual	SO12 Person?	Annual in "Y" month for Annual Report	SO12 Person?
IR 12.1: Increased productivity of selected commodities and products							
1. Yield of selected commodities/ products	Definition: Yield is volume/HA for commodities and volume/unit for products. Selected commodities/products defined by SO Team within selected states. Unit of Measurement: MT for commodities and volume/unit as appropriate for each product, disaggregated by item, state and sex.	Survey conducted by IP	Annual survey of farmers/producers in selected areas by commodity/ product.	Annual survey in "X" month by selected commodity product	SO12 Person?	Annual in "Y" month for Annual Report	SO12 Person?
2. Area under sustainable management	Definition: Sum of area in hectares farmed using at least one sustainable practice (e.g., intercropping, crop rotation, strip farming, etc.) and areas in protected status. Unit of Measurement: Hectares.	Surveys and Implementing partner (IP) field reports	Survey results, Quarterly Reports	Annual survey in "X" month by selected commodity product	SO12 Person?	Annual in "Y" month for Annual Report	SO12 Person?



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PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
IR12.2: Increased value-added of selected commodities and products							
1. Number of new value-added commodities and products	Definition: New means a new start or restart of an enterprise after at least 3 months of no sales. A value added enterprise is a business that performs an operation on inputs to sell outputs at a greater value than the sum cost of inputs. Unit of Measurement: Number. Data disaggregated by sex, and state.	Implementing partner (IP) field reports	Field observation by IPs translated into field reports and Quarterly Reports.	Quarterly	SO12		SO12
2. Range of value added products	Definition: Range means the number of different output products represented by enterprises assisted. Unit of Measurement: Number, disaggregated commodity/product.	Implementing partner (IP) field reports	Field observation by IPs translated into field reports and Quarterly Reports.	Quarterly	SO12		SO12
3. Change in capacity index of value-added enterprises assisted	Definition: Capacity index TBD. Potential elements are: revenue, employees, diversification, capital base, private investment, competitiveness. Unit of Measurement: Average numerical score. Data disaggregated by enterprise and sex.	Implementing partner (IP)	Index score card establishes baseline at customer intake and subsequent annual measures.	Quarterly	SO12		SO12
IR12.3: Increased commercialization of selected commodities and products							
1. Percent of production volume sold	Definition: Production volume is the actual measure of the current year for Indicator 1 of the SO. Sold means cash received in exchange and/or produce stored for future sale. Unit of Measurement: Percent, disaggregated by commodity/product, sex, and state.	Survey conducted by IP	Annual client survey	Annual survey	SO12		SO12
2. # farmers/producers selling	Definition: Producers who report annual sales of selected commodities/products at a minimum floor of \$X or more, (" X " defined for each product). Unit of Measurement: Number, disaggregated by sex, product and state	Survey conducted by IP	Annual customer survey, etc., as in Indicator 1 above	Annual survey	SO12		SO12
3. # sustainable producer associations	Definition: Sustainable means a score of 80% or higher on an organizational capacity index. Producer associations are membership organizations that provide services to members. Unit of Measurement: Number. Data disaggregated by commodity/product and State.	Implementing partner (IP) field reports	Field observation by IPs translated into field reports and Quarterly Reports.	Quarterly	SO12		SO12



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				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
4. % farmers/producers who are members of marketing associations	Definition: Number farmer/producers surveyed who report membership compared to total number surveyed. Unit of Measurement: Percent, disaggregated by commodity/product, sex, and state.	Implementing partner (IP) field reports and survey	Field observation by IP and survey.	Quarterly, annually.	SO12		SO12
IR12.4: Improved policy environment							
1. # milestones of policy agenda menu achieved	Definition: Policy agenda menu instrument TBD. Agenda menu defined annually by the Mission. Milestones defined by SO12 Team. Unit of Measurement: Cumulative Number (milestones achieved). Disaggregated by policy objective.	IP observations, field and Quarterly Reports	IPs document "matter of record" triggers for milestones achieved	Quarterly	SO12		SO12



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Performance Management Plan for SO13: Increased Use of Social Sector Services

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
Strategic Objective : Increased Use of Social Sector Services							
1. DPT 3 Coverage	Definition: Proportion of children aged 12-23 months in 20 USAID-funded Local Government Areas (LGAs) who received three doses of DPT before their first birthday. <i>Children are considered to have received 3 doses of DPT only if their health card shows that they received 3 doses of DPT before their first birthday</i> Unit of Measurement: Percentage	National Population Commission Implementing Partner	NDHS	5 Years	SO 13 Team		SO 13 Team
2. CPR	Definition: Proportion of all women (15-49 years) who report that they are currently using a modern method of contraception at the time of the survey Unit of Measurement: Percentage	National Population Commission Implementing Partner	NDHS	5 Years	SO 13 Team		SO 13 Team
3. Student Retention	Definition: The survival rate of primary school students in target LGAs by cohort (grade by grade, the completion of one grade and transition to the next grade) Unit of Measurement: Percentage	Implementing Partners	Baseline and Annual Surveys	Annual	SO 13 Team		SO 13 Team
IR 13.1 Improved Quality of Social Sector Services							
1. Teachers' and providers' compliance with basic quality standards in target LGAs	Definition: Trained teachers and providers in target LGAs who implement and abide by standards of practice Unit of Measurement: Percentage	Implementing Partners MOE MOH	Baseline Survey HMIS Teacher Observations Other Surveys	Annual	SO13 Team	Annual	SO13 Team
2. Client, customer, pupil and parent that are satisfied with services	Definition: Quality of services and their provision as perceived by the client, customer, pupil and parent Unit of Measurement: Percentage	Implementing Partners	Surveys FGDs Exit Interviews Mystery clients Participant Observation PTAs records and discussions	Annual	SO13 Team	Annual	SO13 Team
3. Increased English literacy and numeracy scores of students in targeted schools	Definition: Recorded change in English language and Mathematics achievement as measured by standardized testing. Unit of Measure: Mean score, sex-disaggregated	Implementing Partners	Baseline and Yearly Student Achievement Testing	Annual	SO13 Team	Annual	SO13 Team



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PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
4. Public and private facilities meeting national service standards for priority interventions in target LGA	Definition: Proportion of public and private facilities in target LGAs observed to be providing a minimum of three modern contraceptive methods with at least one trained provider available to administer each and/or maintaining standard immunization registers. Unit of Measurement: Percentage	Implementing Partners	Baseline Facility Survey Annual Survey	Annual	SO13 Team	Annual	SO13 Team
IR 13.2 Strengthened enabling environment							
1. Targeted policies modified/enacted at the national level	Definition: Cumulative total of reproductive health, child health and primary education policies, plans and guidelines modified/enacted at the national level that support the implementation of reproductive health, child health services, and education. Unit of Measurement: Number	MOE MOH Implementing Partners	Govt Gazette Publication of policies (MOE, MOH) Quarterly Reports	Annual	SO13 Team	Annual	SO13 Team
2. Key enabling legislations/ regulations/ procedures aligned with policies	Definition: Number of targeted enabling legislations/regulations/procedures enacted/developed at State and Local levels that are in support of policies Unit of Measurement: Number	SMOE/SPEB/LGE A SMOH Implementing Partners	Quarterly reports Special studies	Annual	SO13 Team	Annual	SO13 Team
3. New resources leveraged by private sector alliances (communities, NGOs, GDA)	Definition: Value of additional resources leveraged through alliances formed with private sector and other partners. Unit of Measurement: Dollar value	Implementing Partners	Quarterly reports	Annual	SO13 Team	Annual	SO13 Team
IR 13.3 Expanded demand for improved social sector services							
1. Clients seen by health providers, by sex and age, in target LGAs	Definition: Number of clients seen by health providers in target LGAs Unit of Measurement: Number, disaggregated by sex and age	Implementing Partners	Quarterly reports	Annual	SO13 Team	Annual	SO13 Team
2. Condoms and other contraceptives sold, nationally	Definition: Quantity of condoms and other contraceptives sold through the Social Marketing Program from wholesale distributors nationwide to retailers during the fiscal year Unit of Measurement: Number	Implementing Partner	Sales records	Annual	SO13 Team	Annual	SO13 Team
3. Schools implementing girl-friendly approaches	Definition: Proportion of schools that promote gender equality in enrollment and girl-friendly facilities, curricula, textbooks, and teaching-learning processes Unit of Measurement: Number and percent	Implementing Partners	Survey of target schools	Annual	SO13 Team	Annual	SO13 Team



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				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
4. PPDs and ITNs sold nationally	Definition: Number of ITNs and PPDs sold through Social Marketing and Commercial Sector nationally Unit of Measurement: Number	Implementing Partners	Sales records	Annual	SO13 Team	Annual	SO13 Team
IR 13.4 Increased access to services, commodities and materials							
1. Facilities offering family planning/ and reproductive health services in target LGAs	Definition: Health facilities in target LGAs that offer family planning/reproductive health services Unit of Measurement: Number and percent	Implementing Partners	Survey	Annual	SO13 Team	Annual	SO13 Team
2. Primary Gender Parity Index in target LGAs	Definition: Proportion of girls, as compared with boys, enrolled in primary schools in target LGAs Unit of Measurement: Percentage	Implementing Partners	Survey	Annual	SO13 Team	Annual	SO13 Team
3. Classrooms equipped with basic instructional materials	Definition: Proportion of classrooms in target LGAs that have essential teaching and learning equipment and materials (for example, blackboards, desks, textbooks, chalk) Unit of Measurement: Percentage	Implementing Partners	Survey	Survey	Annual	SO13 Team	Annual
4. Facilities offering routine immunization in target LGAs	Definition: Health facilities in target LGAs that offer routine immunization services Unit of Measurement: Number and percent	Implementing Partners	Survey	Annual	SO13 Team	Annual	SO13 Team
5. Vitamin A sold/distributed , nationally	Definition: Quantity of Vitamin A capsules sold/distributed through the Social Marketing Program nationwide during the fiscal year Unit of Measurement: Number	Implementing Partner	Sales record	Annual	SO13 Team	Annual	SO13 Team



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Performance Management Plan for SO 14: Reduced Impact of HIV/AIDS in Selected States

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION OR CALCULATION	DATA ACQUISITION BY MISSION		ANALYSIS, USE AND REPORTING	
				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
Strategic Objective 14: Reduced Impact of HIV and AIDS in Selected States (Health impact indicators)							
1. HIV prevalence in men and women aged 15-24	Definition: blood samples taken from women aged 15-24 that test HIV positive during routine sentinel surveillance at selected antenatal clinics. These data also used to estimate seroprevalence in men. Unit of Measure: Percent (disaggregated to 15-19 and 20-24 age groups)	NACA	Second generation surveillance system	Annual starting 2004	SO 14 Team	Annual starting 2004	NACA, CDC, SO 14 Team
2. HIV seroprevalence among MARPs	Definition: blood samples taken from prostitutes, MSM, IDUs, other MARPs that test positive for HIV during screening at selected VCT and STD clinics. Unit of Measure: percent (disaggregated by sex)	NACA	Second generation surveillance system	Annual starting 2004	SO 14 Team	Annual starting 2004	NACA, CDC, SO 14 Team
Sub-SO 14: Increased Use of HIV and AIDS Services and Practices in Selected States (Behavior indicators)							
1. HIV+ pregnant women receiving therapy for PMTCT	Definition: HIV-positive pregnant women who receive a complete course of ARV prophylaxis to reduce risk of mother to child transmission Unit of Measure: Number and percent	IPs	Service statistics	Quarterly	SO 14 Team	Annual	SO 14
2. HIV+ clients receiving home based care	Definition: HIV+ clients reached by community and home-based care programs annually Unit of Measure: Number and percent	IPs	Service statistics	Quarterly	SO 14 Team	Annual	SO14
3. Active TB cases detected	Definition: Tuberculosis cases confirmed through sputum examination Unit of Measure: Number	IPs	Service statistics	Quarterly	SO 14 Team	Annual	SO 14 Team
4. Active TB cases successfully treated	Definition: Diagnosed tuberculosis cases undergoing a complete regime of DOTS therapy Unit of Measure: Number and percent	IPs	Service statistics	Quarterly	SO14	Annual	SO14
5. Sexually-active population with multiple partners	Definition: Sexually-active adults with more than one sexual partner in past 12 months Unit of Measure: Number and percent	DHS, behavioral survey	Population-based survey	3-5 years, annual	SO14	3-5 years, annual	SO14
6. Condom use with non-regular partners	Definition: Individuals correctly using a condom at last sex with non-regular partner Unit of Measure: Number and percent	DHS, behavioral survey	Population-based survey	3-5 years, annual	SO14	3-5 years, annual	SO14



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				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
7. Sexual debut	Definition: Median age at first sex among young men and women Unit of Measure: Age in years	DHS, behavioral survey	Population-based survey	3-5 years, annual	SO14	3-5 years, annual	SO14
IR 14.1: Increased demand for HIV and AIDS and TB services and practices, especially among selected target groups							
1. Clients seen at VCT centers	Definition: Clients attending VCT centers who voluntarily seek and HIV test and receive the results Unit of Measure: Number	IP records	Service statistics	Quarterly	SO14	Annual	SO14
2. Demand for DOTS treatment	Definition: Clients with confirmed active tuberculosis requested DOTS treatment Unit of Measure: Number and percent	IP records	Service statistics	Quarterly	SO14	Annual	SO14
3. PLWHA and OVC requesting care and support services	Definition: PLWHA and OVC who seek care and support services from USAID partners. Unit of Measure: Number and percent	IP records	Service statistics	Quarterly	SO14	Annual	SO14
4. Pregnant women accepting HIV testing	Definition: Pregnant women seen at antenatal clinics who are counseled and received an HIV test Unit of Measure: Number and percent	IP records	Service statistics	Quarterly	SO14	Annual	SO14
IR 14.2: Increased access to quality HIV and AIDS and TB services and interventions in selected states (Coverage indicators)							
1. USAID-supported VCT centers	Definition: VCT centers providing voluntary and confidential services to clients with USAID assistance. Unit of Measure: Number	IP and Mission records	Service statistics	Quarterly	SO14	Annual	SO 14
2. USAID-assisted ARV treatment programs	Definition: Programs correctly providing ARVs to people with advanced HIV infection. Unit of Measure: Number	IP and Mission records	Service statistics	Quarterly	SO14	Annually	SO14
3. USAID-supported community and home-based care and support services	Definition: Community based and home based care and support programs implemented with USAID assistance Unit of Measure: Number	IP and Mission records	Service statistics	Quarterly	SO14	Annual	SO14
4. Clients receiving services from USAID-supported programs	Definition: Individuals receiving treatment, care, support and prevention services through USAID partners. Unit of Measure: Number, disaggregated by service	IP and Mission records	Service statistics	Quarterly	SO14	Annual	SO14



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				SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)	SCHEDULE/ FREQUENCY	BY WHOM (PERSON/ TEAM)
IR 14.3: Strengthened public, private and community enabling environments							
1. Multiplier organizations receiving capacity building	Definition: National-level agencies with multiple chapters and branches receiving USAID technical assistance Unit of Measure: Number	NACA, SACA, NGOs, IPs	Quarterly and annual reports	Annual	SO14	Annually	SO14
2. Public-private and private-private partnerships	Definition: Partnerships between USAID and public, private, NGO and/or foundation entities that leverage resources for HIV/AIDS Unit of Measure: Number and value	NACA, SACA, NGOs, IPs	Quarterly and annual reports	Annual	SO14	Annually	SO14
3. Legislation favorable to HIV programming and PLWHA	Definition: Legislation passed by the National Assembly and State Houses of Assembly in target states that positively affects selected issues such as budget allocations for HIV/AIDS, sanctions against stigma and discrimination, others TBD. Unit of Measure: Number	National and State Assemblies, SO11	Quarterly and annual reports	Annual	SO14	Annually	SO14
4. Improved MARP database	Definition: Index demonstrating increased reliability and regular availability of data for planning and decision-making on MARPs. Unit of Measure: Index score	NACA, SACA, NGOs, IPs,	Quarterly and annual reports	Annual	SO14	Annually	SO14



X. Program Management

Introduction

USAID/Nigeria has rapidly scaled up from a \$7 million annual program with just two areas of strategic intervention and a total workforce of 10 (1 USDH) in 1998, to a program that in 2003 includes SOs and activities encompassing all of the major sectors and supporting all of the Agency's goals. The staff has grown to over 90 employees, and aggregate program budget FY 2000 – 2003 inclusive approached \$320 million. This is by any standard enormous growth in a very short time frame and attention was focused on procurement and implementation. The development of the CSP has necessitated the close examination and rationalization of a number of management issues. This section highlights workforce; coordination with other USG agencies in Nigeria, the West African region, and Washington; management structures and responsibilities; portfolio and procurement management; and transition planning to move from the previous strategy (and strategic objectives) to the new one.

Staffing

Even though USAID/Nigeria has one of the largest OYBs in the Africa Bureau, the Mission staff consists of a relatively small but highly-efficient staff of 86 employees (with four USDH positions vacant). This is an increase in the staffing level from 10 in 1999 when the program expansion began. 104 positions were requested in the Concept Paper and approved in the parameters cable. The ceiling of 104 positions includes 14 USDH; 13 USPSC, TCNPSC, TAACS advisors and Fellows; and 77 FSNs. 54 of the staff will be OE funded and 50 program funded.

Recruiting for new USDH for USAID/Nigeria is extremely difficult. The perception of Nigeria as a very difficult place to live and work makes recruitment extremely challenging. The post is designated as a Difficult to Staff post with an additional 15 percent differential granted to USDH who stay three years or longer. Currently the Mission has four USDH positions vacant. The departure from post of the USDH Deputy Mission Director and the SO12 team leader without candidates assigned to these positions leaves two crucial gaps. SO12 has also lost its USDH private sector officer without replacement

and attempts to recruit a NEP to the position were unsuccessful. The absence of an HIV/AIDS technical advisor is also crippling and leaves SO14 with just two full-time staff. If it is not possible to identify a USDH candidate for this position the Mission will seek a TAACS advisor in HIV/AIDS and tuberculosis.

The controller and contracting officer positions were authorized in 2002 and the incumbents have been in place for just over one year. Prior to their assignment CO and FMO services were provided on a TDY basis by USAID/Ghana. Ghana remains USAID/Nigeria's accounting station for critical financial management functions. The Mission also needs the support and advice of the Regional Legal Advisor (RLA, based in Senegal) and the Regional Environmental Advisor (REA, based in Mali). The difficulties attending travel within the West African region make coordinating visits for these critical services very difficult.

Since scaling up has been very rapid and the FSN staff has largely been recruited very recently, the Mission has embarked on an ambitious but highly-effective training campaign. In order to train large numbers of staff in the most efficient manner, the Mission has contracted with trainers and facilitators to come to Abuja to teach staff the necessary skills and to acquire certifications where necessary. This highly-productive training strategy has enabled Mission staff to be trained in acquisition and assistance; financial management; planning, achieving and learning; advanced writing skills; and office management. The Mission will continue to identify mission-wide training opportunities that benefit large numbers of staff in cost-effective ways.

Front Office: The approved staffing level for the Front Office consists of two USDH and two FSN secretaries. This office will not change with the new strategy. The total staffing level will be 4 positions.

Controller: Currently the staffing level for the Controller's Officer consists of one USDH, one USPSC/TCN, and nine FSNs. Two of the FSN positions are program funded. For the new strategy a new financial management specialist position will be added and the total staffing level will increase to 12 positions.



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Contracts: The staffing level for the Contracts Office consists of one USDH, one TCN, and three FSNs. All FSNs are program funded. This is a new office within the Mission and training of staff has been a major emphasis during the past year. Depending on the level of the program and the development of the FSN staff, the TCN position may be phased out over the next two years. The total staffing level will remain at 5 positions.

Executive Office: The currently-approved staffing level for the Executive office consists of one USDH and 31 FSNs. A USPSC deputy EXO position has been eliminated and replaced with an FSN. As the program continues to grow, up to five additional FSNs will be required to support the Mission. In particular, additional maintenance staff and drivers will be needed. The total staffing level will be 37 positions.

Program Office: The present staffing level for the Program Office consists of one USDH Program Officer, one USDH Project Development Officer, four USPSCs, and three FSNs. The program office will remain with this staffing configuration of 9 positions for the CSP.

SO11: SO11 has one USDH, one USPSC, and seven FSNs. The new CSP will require that the two vacant FSN positions be filled, for a total complement of 9.

SO12: This SO has an approved level of three USDH, two USPSC, and eight FSN positions. Four positions are currently vacant, including two USDH positions. The Mission is aggressively recruiting to fill the vacant USDH positions. Total positions in this SO are 13.

SOs 13 and 14: These two SOs are housed together in the General Development Office (GDO). Approved staff consist of three USDH, four USPSC/TCN/Fellows/TAACS, and eight FSNs. The Mission is aggressively recruiting to fill the vacant HIV/AIDS USDH position. The total staffing level will be 15 positions.

USG Coordination

USAID/Nigeria coordinates with and/or facilitates the activities of a large number of USG agencies in Nigeria and in the West African region.

- Centers for Disease Control and Prevention (CDC). CDC implements a \$5 million

program in HIV/AIDS prevention, treatment, care and support in Nigeria. USAID has a strong logistical and technical cooperation with CDC on a range of issues, especially HIV/AIDS sentinel surveillance and implementation of the Presidential Emergency Plan for AIDS Relief. USAID and CDC have also joined forces to establish four "Centers of Excellence" for prevention of mother to child transmission of HIV/AIDS.

- Department of State (DOS). There are a number of important management and staff-related implications for USAID/Nigeria in our relationship with the Department of State and the U. S. Embassy Abuja and American Consulate Lagos.
 - DOS is a source of ESF. The Mission programmed substantial ESF allocations in FYs 1999 through 2002. A significant amount of ESF will be needed in FY 2005 (or sooner) to prepare adequately for national elections scheduled for 2007.
 - USAID/Nigeria provides the program framework, budgetary and human resources, and performance management data to address, in part or in full, three of the six goals in the USG's Mission Performance Plan (MPP) for Nigeria.
 - Nigeria is the dominant country in the region. It attracts numerous high profile visitors. These delegations demand a significant investment of USAID resources and talents, and close coordination with the Embassy. In the past 12 months the U. S. Mission has hosted U. S. President George W. Bush, USAID Administrator Andrew Natsios, USAID Assistant Administrator for Africa Constance Berry Newman, USAID Assistant Administrator for Global Health E. Anne Peterson, Deputy Assistant Secretary of State Walter Kansteiner, and a delegation of six U. S. Senators and their staff.



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- USAID also coordinates numerous internal events on behalf of the Embassy, particularly in connection with USAID activities. These high-profile public fora avail the Ambassador the opportunity to deliver important messages about USG concerns and interests in Nigeria, ECOWAS and, increasingly, global issues.
- USAID/Nigeria also provides a programmatic platform, and resources through interagency agreements (IAAs), for other USG agencies working in Nigeria, including Treasury, Commerce, the U. S. Trade Representative, Agriculture, Defense, Transportation and Energy.
- ICASS. USAID receives minimal services through ICASS. Despite its move to Abuja, some core Embassy functions, including issuing of visas, are still based in Lagos and the Embassy in Abuja, housed in an interim office building, is not well-placed to provide the full range of services. Despite this, however, the USAID Mission Director chairs the ICASS Council.
- West Africa Regional Program (WARP). USAID's regional West African program is based in Bamako, Mali, but will move to Accra in Ghana by the end of FY 2003. WARP's regional program includes SOs addressing economic growth, reproductive health and child survival, food security and environment, and conflict prevention. The new strategy will present significant opportunities for enhanced collaboration with WARP. For example, WARP is designing a regional market information system that will build on and complement market information generated under the current USAID/Nigeria economic growth and agriculture SO, an effort that will be expanded in the new strategy. USAID/Nigeria has also initiated a dialogue with the Regional Trade Hub

Program under WARP. The cross-border nature of many conflicts in the region creates a direct link between USAID/Nigeria's SO11 and WARP's conflict prevention work

Portfolio Structure and Management

In FY 1998 USAID/Nigeria's program budget was \$7 million. In FY 2001, just three years later, the Mission received over \$85 million in program resources. This enormous increase, and the need for rapid programming and achievement of results, has increased the workload to an unsustainable level. It has also led to a proliferation of management units and the award of a large number of separate contracts and grants. In FY 2002 the Mission managed over 60 individual activities (contracts, grants, and field support mechanisms) and processed hundreds of procurement-related actions. The implementation of the new CSP will see a significant reduction in the number of discrete activities funded under each SO, leading to greater management efficiency and a reduced work burden.

USAID/Nigeria is also moving into the new strategy with four integrated SOs, as opposed to four SOs and one SpO under the Transition Strategy. The identification of opportunities for cross sectoral programming and the achievement of results under more than one SO has been a guiding principle in CSP development. Closer alignment and synergy across SOs as well as integration within them is necessary in order to realize higher levels of impact and development results. The crosscutting themes addressed by each SO have also suggested strategies for more closely integrated and coordinated programming. As the existing inventory of activities closes out, they will be succeeded by a much smaller number of major "new generation" implementation instruments that will also be designed to assume some of the routine management functions currently borne by Mission staff. This new way of doing business will have strategic implications for procurement, financial management, administration and program management functions within the Mission.

- Procurement: As noted above, the CSP will be implemented through fewer, larger, more integrated activities, some



of which will contribute to achievement of results under more than one SO. The design of RFAs/RFPs for SOs 13 and 14 is already under way and the design team is specifically charged with identifying such opportunities and building them into the solicitation documents. The Mission's previous experience, on a small scale, with anti-corruption and economic governance activities that contributed to two SOs will stand it in good stead as procurements for SO11 and SO12 are developed. The Mission will seek to move to full and open competition for the bulk of the new procurements and will also burden respondents to the solicitations with the requirement to propose specific strategies in their proposals and applications to build cross sectoral programming. Mission procurement staff already backstop specific SOs and under the CSP will serve as core members of those SO teams. These staff have recently received PAL training to hone their understanding of strategic planning and the context of teamwork. Further teambuilding training is planned for the period immediately following on CSP approval. The streamlined and reduced procurement requirements as a result of the dramatically reduced number of individual instruments will also make it possible for procurement staff to engage directly with entities such as the National Assembly and the GON Budget Management and Procurement Integrity Office, target institutions for anticorruption, advocacy and transparency activities relevant for all SOs.

- **Financial management:** As with their counterparts in procurement, controller staff will also be integrated into the SO teams that they currently backstop. They will provide the full range of financial services required by their teams. Since transparency and accountability are areas of emphasis for each SO and are a crosscutting strategic issue, opportunities to engage with key stakeholders such as the National Assembly, the President's Chief Economic Advisor, the Debt Management and Budget Offices will be

sought. The streamlined structure of the portfolio should also significantly reduce the work burden in the Controller's office.

- **Program:** The rapid growth of the portfolio over the past three years and the development of the new strategy have also had implications for the organization and structure of the Office of Program and Project Development (PPD). PPD will also become a more service-oriented entity, providing support to all SO teams in the areas of performance monitoring and evaluation, strategic planning, budget analysis, inventory management, and training. PPD will establish and maintain procedures for such processes as review of unsolicited proposals, completion of the FMFIA, and conduct of annual portfolio reviews and preparation of the annual report. A comprehensive data base on all Mission supported activities, organized by state and by SO, will be developed and housed in PPD. The office will continue to be the coordinator of public events and will work with EXO to manage teambuilding and the development of team charters.
- **Administration:** The executive office has established and filled several key positions and the proposed staff complement of 37 is capable of carrying out all critical administrative functions. EXO expended significant resources in FY 2002 on training to enhance technical skills and empower the staff. Having also participated in PAL training, selected EXO staff will become members of SO teams, and will be able to deploy their capabilities in information technology, data management, human resource development and procurement to the benefit of teams, implementing partners, and GON counterparts. As the new SO teams are established, EXO will also play a major part in reviewing, and possibly reclassifying, some FSN positions whose roles and responsibilities may change as a consequence of the new structure of the portfolio and realignment of objectives.



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Transition Plan

The Mission's Transition Strategy has an end date of December 31, 2003. Two of the five Transition Strategy SOs are governed under SOAgS that also end on December 31, 2003.

These end dates were established in order to provide for an adequate period of transition to new implementation instruments, and to accommodate a large number of existing activities with varying PACDs. Annex 4 presents a consolidated timeline identifying all ongoing activities by SO, projected PACD, and in-streaming of new procurements. As activities currently in place close out, the new, more comprehensive activities will phase in. Over the life of the CSP, the total number of individual procurements will gradually decline to a level that can be appropriately managed by the approved workforce.

Infrastructure

USAID/Nigeria moved from Lagos to Abuja in 2001. The Mission is located in a separate commercial office building approximately 3.5 miles from the U. S. Embassy. The current office lease runs through August 2005. Although a New Embassy Building (NOB) is under construction and will be completed in 2005, USAID has not received funding for its building, nor is this anticipated until FY 2005.

The current USAID/Nigeria office building presents significant security risks that have been well-documented in the FY 2002/2003 FMFIA, Concept Paper, and security reports. Since the Mission is located in a commercial office building with many other tenants, there is unlimited and free access to the building. The 100 foot setback requirement is not met for most of the building. Access to the parking lot is unencumbered. Mission management has taken a number of measures to improve security and reduce the vulnerability of staff and U. S. property. These measures include employing additional security guards around the building; installing closed circuit cameras; limiting public access to USAID office space; varying and changing work hours; and checking vehicles entering the parking lot. In addition, Mission management has tried to identify other potential office building sites which would provide greater security to staff. The continuing efforts to improve the Mission's security posture will only

reduce the vulnerability, not eliminate it. The best and most secure option is a new office building on the NOB compound. The Mission spent approximately \$250,000 on various security enhancements in FY 2003. In addition, another \$385,000 was spent on security guard services.

Co-location with the Embassy will have a major impact on the Mission's operating expenses, especially ICASS costs. The US Embassy/Abuja ICASS budget is \$13.5 million, the largest by far in the Africa Bureau and among the highest in the world. In order to reduce ICASS costs and utilize limited OE funds more effectively, USAID/Nigeria has reduced the number of ICASS services to which it subscribes and provides its own services wherever possible. Due to the high cost and often poor service, the Mission only subscribes to the basic package, health services, pouch, community liaison, shipping and customs, and limited cashing and direct vehicle operations. The Mission's deliberate strategy of providing as many of its own support services as possible means that USAID's share of the ICASS budget is \$400,000 per year. If co-location in a new office building requires USAID to utilize more ICASS services than is currently the case, annual operating costs will increase significantly without a commensurate improvement in services. We cannot estimate the additional overhead costs at this time.

The housing market in Abuja is one of the most expensive in Africa. The average rental cost per housing unit is nearing \$40,000 per year. In addition, the prevailing practice in Abuja is to pay two years of rent in advance. Housing construction is usually quite poor and requires constant maintenance. Of particular concern is the quality of electricity installation in the residences. Both USAID and the Embassy have suffered serious residential fires in the past year, resulting in major losses of government and personal property. Fortunately, no serious injuries resulted from these fires. The Mission has had a number of electrical engineers from Nigeria and the U.S. to review and make recommendations to improve the electrical problems. All of the recommendations have been implemented, but electrical faults continue to be a major problem and concern, often due to fluctuating electricity supply. Finally, due to the highly inconsistent and irregular electrical power supply all residences and the office must have



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generators. On average the residential generators are operating 10-12 hours per day, while the office generator runs about 16 hours per day, greatly increasing diesel costs and maintenance expenses.



XI. Resource Requirements

Program Resource Requirements

In the Scenario planning section of this CSP (Section IV.K), the Mission identified three scenarios that would establish the overall resource levels available for Nigeria based on political realities over the next five years. In the Renewal from the Roots scenario, democratic consolidation is progressing with no significant external or domestic impediments. This scenario assumes the budget parameter, or base, level of \$65 million in FY 04 DA/CSH and the \$68.3 million planning level for FY 05 and out years, plus an additional \$64.5 million in Administration initiatives and \$17.5 million in Economic Support Funds for new trade initiatives and elections over the life of the strategy. The Renewal budget, presented in Table 6, totals \$414.3 million in combined resources (\$338.3 million in DA/CSH, \$17.5 million in ESF and \$65.6 million in Initiatives) over five years using the FY 04 Congressional Budget Justification level of \$59 million; and \$420.4 million over five years using the approved parameter level of \$65 million in FY 04. Both of these totals use the FY 05 planning level for out years.

The overall funding required by each strategic objective, based on this scenario is:

- SO 11: Strengthened Foundations for Democratic Governance – at the parameters level, this SO will require \$16.4 million in DA/DG resources to achieve its stated objectives and results plus \$15 million in ESF for elections;
- SO 12: Economy Diversified and Strengthened in Selected areas – will require, at the parameters level, \$42 million in total DA resources, of which \$30 million is in agriculture funds (AGR), \$9 million is in economic growth (EG) funds, and \$3 million in environment (ENV) funds;
- SO 13: Increased Use of Social Sector Services – will require \$143.9 million in combined DA and CSH resources. Of this amount, \$20 million is required for basic education and the remaining \$123.9 million will be CSH funds to support reproductive health, family planning, child survival, infectious diseases and nutrition programs; and

- SO14: Reduced Impact of HIV/AIDS in Selected States – will require \$135.5 million in HIV/AIDS and TB funds to support the expanded response to HIV/AIDS and TB.

Budget planning levels for FY 2004, the first year of the CSP, are more than \$6 million below the level stipulated in the parameters cable. The AFR/DP planning levels dramatically reduced the Mission's alternate budget request level in DG (by nearly 60%), in EG (by 61%), and in AG (by 41%). The FY 2004 request levels are slightly above the parameters level, which will give the Mission the opportunity to recover funds lost in FY 04. In FY 05, the Mission is requesting \$15 million in ESF to assist in the 2007 elections. The 2003 elections were important to demonstrate Nigeria's ability to make a civilian to civilian transition. The 2007 elections will present a different and possibly greater challenge as President Obasanjo's current term in office will also be his last. The Mission spent nearly \$13 million for the 2003 elections. This next round will require that amount and more to support the process.

The Renewal budget includes \$64.5 million in Administration Initiatives to support the Nigeria program. The Mission plans to request funding under: Trafficking in Persons (\$2.5 million), Anti-corruption (\$3.75 million), Conflict (\$5 million), Initiative to End Hunger (\$12 million), TRADE (\$6 million), Biotechnology (\$2.5 million), Faith-based (\$4.8 million), Africa Education (\$9 million), Islamic Education (\$4 million) and HIV/AIDS Emergency Plan (\$15 million). The Mission is currently receiving funding under several of these initiatives and has already developed or plans to develop proposals to program the additional resources.

The Mission's second scenario, the Crippled Giant, assumes that Nigeria's transition continues, but there will be political uncertainty. Should this situation develop, the Mission is proposing that the DA/CSH/ESF resources remain the same as in "Renewal," but given the uncertainties, initiative activities would be curtailed. This scenario assumes that any destabilizing activities are likely to occur after FY 04, therefore, the initiatives for FY 04 are included in this budget. The budget for the five year period totals \$336.3 million, using the CBJ planning level, and \$372.4 million using the parameters level, and is presented in Table 7.



Things Fall Apart is the third scenario and postulates democratic collapse, or breakdown of law and order. This scenario assumes a contraction of the program to focus on civil society and other non-governmental partners only. The annual resource level would be estimated at \$50 million which would be used to continue activities in all sectors, but with an increase in democracy and governance funds, and reductions in SO 12 and SO 13. HIV/AIDS activities would be maintained at the same level as in the other two scenarios given the critical nature that Nigeria plays in the region. This resource level is presented in Table 8.

Pipeline

Over the past year, the Mission's focused attention to increasing implementation and reducing the pipeline has resulted in a 33 percent decrease in the pipeline since December 2002. As a result the overall Mission pipeline has been reduced from 21 months in December 2002 to 18 months in June 2003. A significant percentage of the Mission's pipeline will be committed in FY 04 as new activities and procurements come on board to begin the CSP under four new Strategic Objective Agreements. The Mission will continue to effectively manage the pipeline in line with activity implementation.

The Mission's strategy for program implementation during the CSP is to reduce the number of implementation units, e.g. procurement mechanisms, from the current 150 actions annually, to less than 20. This process will reduce the number of management units for the Mission's staff and increase synergy and coordination among implementing partners. The Mission is negotiating a Bilateral Framework Agreement with the Government of Nigeria. This Agreement will cover all USAID-funded activities and implementing partners to ensure that the Mission's program receives the benefits, such as elimination of taxes and duties, of a diplomatic donor agency.

Operating Expense Requirements

The Mission's operating expense request for FY 2003 was \$5.2 million, against an approved level of \$4.3 million. The parameters cable established \$4.2 million as the Mission's OE. However, given the \$1 million recurrent

increases in our base, we are requesting \$5.2 million per year for OE during the five years of the CSP. On a percentage of program budget basis, this level is lower than the majority of missions in Sub-Saharan Africa.

USAID/Nigeria supports one of the largest bilateral development assistance programs in sub-Saharan Africa. Beginning in 1999 as a transition program, the Mission continues to increase its staffing level to effectively implement its \$70 million plus annual program. Total staffing will eventually reach 104 employees in FY 2004 from the current 86. Even at 104 employees USAID/Nigeria will implement and manage its program with a significantly smaller staff than many other bilateral Missions that have smaller programs. Further, we are the only mission in West Africa that does not have its own accounting station, greatly increasing potential vulnerabilities.

Apart from additional staff essential to program development and implementation, which will cost \$250,000 annually, increased demands for OE resources include:

- One additional USDH, costing \$150,000 per year.
- Increase in the cost of living adjustment (COLA) from 25 percent to 35 percent resulted in a \$15,000 (22 percent) budget line increase in FY 2003.
- 85 percent increase in FSN salaries in FY 2002 led to an increase of \$120,000 (15 percent) in FY 2003 salaries payments.
- Increase from one R&R per tour to two R&R cost the Mission an additional \$35,000, which is an almost 200 percent increase in the FY 2003 budget for this line item.
- Entitlement expenses for additional staff (SMA, educational allowance, home leave) costing \$60,000.
- OE portion of ICASS cost increased from an initial budget of \$210,000 to actual cost of \$308,322, representing 47 percent increase and accounting for 7 percent of approved Mission budget allowance.

Additionally, USAID/Nigeria experiences some of the highest rental costs in Africa. The average rent is nearly \$40,000 per year for each of the 17 OE funded residences, totaling \$680,000. The office and warehouse



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rent is over \$345,000 per annum, of which \$280,000 is OE funded. Rental costs for residential housing and office space alone gulped 15 percent of FY 2003 approved OE resources.

THE ADDITIONAL RECURRENT COSTS HAVE ADDED ALMOST \$1 MILLION TO THE ANNUAL OPERATING EXPENSES OF THE MISSION.

Finally, the Mission has been forced to make numerous expensive procurements due to the inadequate and difficult operating environment in Nigeria. Some of the major procurements the Mission has made simply in order to continue to operate on a daily basis include a new generator at \$110,000, diesel tank \$32,000, cell phones and other telecommunications equipment \$87,000, computer upgrades \$40,000, additional security upgrades \$40,000 and \$50,000 to upgrade the computer system to operate with MACS in Ghana.

The shortfall which would have been experienced in FY 2003 was covered by funds saved from the non-arrival of 4 USDHs originally scheduled to arrive in FY 2003. It is expected that this cost saving of \$450,000 in FY 2003 will be an added cost in FY 2004.



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Table 6: Renewal from the Roots - Program Budget Scenario

COUNTRY STRATEGIC PLAN, 2004-2009									
SO #	FY 2003	FY 2004	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	Total
	actual	CBJ planned	Parameters Level	planned	planned	planned	planned	CBJ FY '04 - 08	Parameters FY'04-08
SO 11 D/G	5,282	2,767	3,000	3,352	3,352	3,352	3,352	16,175	16,408
SO 12 Econ Gro/Ag/Env	9,155	6,007	7,000	8,889	8,889	8,889	8,889	41,563	42,556
SO 13 Social Sector	24,599	23,565	25,000	29,717	29,717	29,717	29,717	142,433	143,868
SO 14 HIV/AIDS/TB	25,850	26,600	30,000	26,365	26,365	26,365	26,365	132,060	135,460
Total DA/CSH Budget	64,886	58,939	65,000	68,323	68,323	68,323	68,323	332,231	338,292
Below the Line:									
Trafficking Initiative	500	500	500	500	500	500	500	2,500	2,500
Anti-Corruption Initiative	500	750	750	750	750	750	750	3,750	3,750
Conflict Initiative	1,250	1,000	1,000	1,000	1,000	1,000	1,000	5,000	5,000
Initiative to End Hunger		6,000	6,000		3,000	3,000		12,000	12,000
TRADE Initiative				4,000		2,000		6,000	6,000
Dairy Initiative	358							0	0
Biotechnology	500	500	500	500	500	500	500	2,500	2,500
Faith-based Org.		1,811	1,811		1,500	1,500		4,811	4,811
Africa Education Initi.	1,900	3,000	3,000	1,500	1,500	1,500	1,500	9,000	9,000
Islam Education	1,400			2,000		2,000		4,000	4,000
HIV/AIDS Emergency Plan		3,000	3,000	3,000	3,000	3,000	3,000	15,000	15,000
Below the Line Initiatives	6,408	16,561	16,561	13,250	11,750	15,750	7,250	64,561	64,561
Economic Support Funds	4,200	2,500		15,000				17,500	17,500
Total Request	75,494	78,000	81,561	96,573	80,073	84,073	75,573	414,292	420,353



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Table 7: The Crippled Giant - Program Budget Scenario

		COUNTRY STRATEGIC PLAN, 2004-2009							
SO #	FY 2003	FY 2004	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	Total
	actual	CBJ planned	Parameters Level	planned	planned	planned	planned	CBJ FY '04 - 08	Parameters FY'04-08
SO 11 D/G	5,282	2,767	3,000	3,352	3,352	3,352	3,352	16,175	16,408
SO 12 Econ Gro/Ag/Env	9,155	6,007	7,000	8,889	8,889	8,889	8,889	41,563	42,556
SO 13 Social Sector	24,599	23,565	25,000	29,717	29,717	29,717	29,717	142,433	143,868
SO 14 HIV/AIDS/TB	25,850	26,600	30,000	26,365	26,365	26,365	26,365	132,060	135,460
Total DA/CSH Budget	64,886	58,939	65,000	68,323	68,323	68,323	68,323	332,231	338,292
Below the Line:									
Trafficking Initiative	500	500	500					500	500
Anti-Corruption Initiative	500	750	750					750	750
Conflict Initiative	1,250	1,000	1,000					1,000	1,000
Initiative to End Hunger		6,000	6,000					6,000	6,000
TRADE Initiative								0	0
Dairy Initiative	358							0	0
Biotechnology	500	500	500					500	500
Faith-based Org.		1,811	1,811					1,811	1,811
Africa Education Initi.	1,900	3,000	3,000					3,000	3,000
Islam Education	1,400							0	0
HIV/AIDS Emergency Plan		3,000	3,000					3,000	3,000
Below the Line Initiatives	6,408	16,561	16,561					16,561	16,561
Economic Support Funds	4,200	2,500		15,000				17,500	17,500
Total Request	75,494	78,000	81,561	83,323	68,323	68,323	68,323	366,292	372,353



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Table 8: Things Fall Apart - Program Budget Scenario

COUNTRY STRATEGIC PLAN, 2004-2009									
SO #	FY 2003	FY 2004	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	Total
	actual	CBJ planned	Parameters Level	planned	planned	planned	planned	CBJ FY '04 - 08	Parameters FY'04-08
SO 11 D/G	5,282	2,767	3,000	4,000	4,000	4,000	4,000	18,767	19,000
SO 12 Econ Gro/Ag/Env	9,155	6,007	7,000	4,635	4,635	4,635	4,635	24,547	25,540
SO 13 Social Sector	24,599	23,565	25,000	15,000	15,000	15,000	15,000	83,565	85,000
SO 14 HIV/AIDS/TB	25,850	26,600	30,000	26,365	26,365	26,365	26,365	132,060	135,460
Total DA/CSH Budget	64,886	58,939	65,000	50,000	50,000	50,000	50,000	258,939	265,000
Below the Line:									
Trafficking Initiative	500								
Anti-Corruption Initiative	500								
Conflict Initiative	1,250								
Initiative to End Hunger									
TRADE Initiative									
Dairy Initiative	358								
Biotechnology	500								
Faith-based Org.									
Africa Education Initi.	1,900								
Islam Education	1,400								
HIV/AIDS Emergency Plan									
Below the Line Initiatives	6,408								
Economic Support Funds	4,200	2,500						2,500	2,500
Total Request	75,494	61,439	65,000	50,000	50,000	50,000	50,000	261,439	267,500



X. Endnotes

- ¹ Pew Global Attitudes Survey
- ² AIAE
- ³ IBM
- ⁴ FOS
- ⁵ FOS
- ⁶ NFCNS
- ⁷ UNICEF
- ⁸ UNICEF
- ⁹ AIAE
- ¹⁰ NDHS
- ¹¹ World Bank
- ¹² AIAE, UN World Urbanization Prospects
- ¹³ CBN
- ¹⁴ IBM
- ¹⁵ CBN
- ¹⁶ IBM
- ¹⁷ FOS
- ¹⁸ AIAE
- ¹⁹ AIAE , IBM
- ²⁰ Casals
- ²¹ World Bank
- ²² UNICEF
- ²³ FIAS
- ²⁴ WARDA
- ²⁵ Chemonics, CBN
- ²⁶ Chemonics
- ²⁷ ARD
- ²⁸ Participatory poverty assessments
- ²⁹ Nigerbus
- ³⁰ UNICEF
- ³¹ Netmark
- ³² NDHS
- ³³ NFCNS
- ³⁴ NDHS , UNICEF
- ³⁵ NIC, UNAIDS
- ³⁶ UNICEF
- ³⁷ FMOH
- ³⁸ NDHS
- ³⁹ UNICEF
- ⁴⁰ UNICEF
- ⁴¹ MLA
- ⁴² AIAE
- ⁴³ NDHS
- ⁴⁴ NDHS
- ⁴⁵ UNICEF, NDHS
- ⁴⁶ Ayoola et al. , Okunmadewa
- ⁴⁷ UNICEF
- ⁴⁸ AIAE
- ⁴⁹ Afrobarometer, Nigerbus
- ⁵⁰ Nigerbus
- ⁵¹ ARD
- ⁵² International election observer reports
- ⁵³ Daily Times
- ⁵⁴ SCA
- ⁵⁵ IOM
- ⁵⁶ MSI
- ⁵⁷ Transparency International
- ⁵⁸ Casals
- ⁵⁹ NDHS
- ⁶⁰ AIAE
- ⁶¹ World Bank
- ⁶² NISER
- ⁶³ AIAE
- ⁶⁴ ANAP
- ⁶⁵ FIAS
- ⁶⁶ Transparency Index; see also Casals

- ⁶⁷ IBM
- ⁶⁸ Futures/Roadmap
- ⁶⁹ MIGA
- ⁷⁰ UNDP
- ⁷¹ Chemonics
- ⁷² Chemonics
- ⁷³ WARDA
- ⁷⁴ ARD
- ⁷⁵ World Bank
- ⁷⁶ Economist Intelligence Unit
- ⁷⁷ NDHS , MICS
- ⁷⁸ UNICEF
- ⁷⁹ CBN
- ⁸⁰ NDHS
- ⁸¹ UNICEF, NDHS
- ⁸² Pediatric Association of Nigeria
- ⁸³ Roll Back Malaria Movement
- ⁸⁴ Nigerbus
- ⁸⁵ NDHS
- ⁸⁶ NFCNS
- ⁸⁷ Integrated Child Health Survey
- ⁸⁸ NDHS
- ⁸⁹ NDHS
- ⁹⁰ UNICEF
- ⁹¹ POPTech
- ⁹² UNICEF
- ⁹³ UNICEF
- ⁹⁴ UNICEF
- ⁹⁵ Boyle
- ⁹⁶ UNDP HDR
- ⁹⁷ NIC
- ⁹⁸ POLICY
- ⁹⁹ NDHS
- ¹⁰⁰ FMOH
- ¹⁰¹ TB assessment
- ¹⁰² Walker et al.
- ¹⁰³ POLICY, NDHS
- ¹⁰⁴ FMOH
- ¹⁰⁵ FMOH
- ¹⁰⁶ FMOH
- ¹⁰⁷ NDHS
- ¹⁰⁸ USAID, Alary et al., UNAIDS
- ¹⁰⁹ Orubuloye et al., Ajuwon et al., Ayaoye et al., FHI
- ¹¹⁰ Within the next six months, OHA will undertake a study to help the mission estimate the size of MARP populations.